

44

TRIZEC CORPORATION LTD.

ANNUAL
REPORT

1969



● Retirement Lodge - Toronto



● Architectural rendering
of Place St. Cyrille
Quebec City



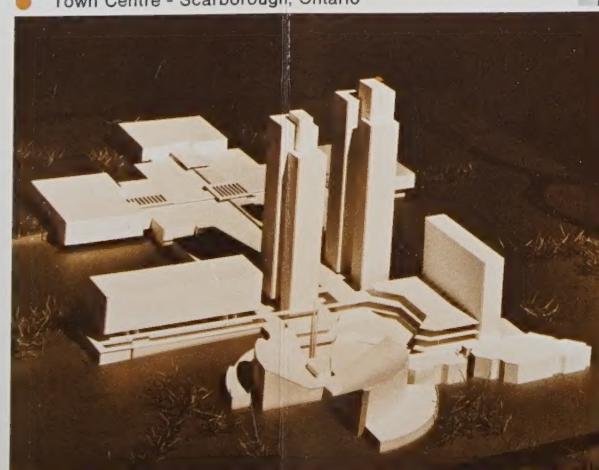
● Yorkdale Shopping Centre - Toronto



BCN Building - Montreal



● Place Ville Marie - Montreal



● Schematic Model of Scarborough
Town Centre - Scarborough, Ontario

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HIGHLIGHTS OF 1969

	1969	1968
Earnings Before Extraordinary Item	\$ 2,026,000	\$ 1,122,000
Net Earnings	\$ 2,732,000	\$ 1,122,000
Earnings per Share Before Extraordinary Item*	7.1 cents	5.2 cents
Net Earnings per Share* ..	9.5 cents	5.2 cents
Gross Revenue	\$ 37,774,000	\$ 27,982,000
Total Assets	\$253,707,000	\$240,658,000
Paid in Capital and Retained Earnings	\$ 28,780,000	\$ 26,048,000
Shares Outstanding at December 31st	28,720,000	28,720,000
Average Shares Outstanding	28,720,000	21,480,000
Number of Shareholders ..	3,957	3,163

*Earnings per share have been calculated using the average number of shares outstanding during the year.



● Yorkdale Shopping Centre - Toronto



● Place Ville Marie - Montreal

TRIZEC CORPORATION LTD. and Subsidiary Companies

DIRECTORS

F. B. COMMON, Jr., Q.C.
Lawyer
Ogilvy, Cope, Porteous, Hansard, Marler,
Montgomery & Renault
Montreal, Quebec

E.-J. COURTOIS, Q.C.
Lawyer
Smith, Anglin, Laing, Weldon & Courtois
Montreal, Quebec

F. M. COVERT, O.B.E., Q.C.
Lawyer
Stewart, MacKeen & Covert
Halifax, Nova Scotia

**THE RIGHT HON.
VISCOUNT HARDINGE, M.B.E.**
Chairman
Greenshields Incorporated
Montreal, Quebec

W. HAY
Executive Vice-President
Trizec Corporation Ltd.
Montreal, Quebec

P. R. KIRWAN-TAYLOR
Director
Hill, Samuel & Co. Limited
London, England

D. A. LLEWELLYN
Director
Star (Great Britain) Holdings Limited
London, England

SIR BRIAN MOUNTAIN, BT.
Chairman
Eagle Star Insurance Company Limited
London, England

THE HON. L. PHILLIPS, O.B.E., Q.C.
Lawyer
Phillips, Vineberg, Goodman, Phillips & Rothman
Montreal, Quebec

D. G. PHILPOTT
Vice-President
Trizec Corporation Ltd.
Toronto, Ontario

R. POTEL
Chairman and Managing Director
Star (Great Britain) Holdings Limited
London, England

J. A. SODEN, Q.C.
President
Trizec Corporation Ltd.
Montreal, Quebec

OFFICERS

SIR BRIAN MOUNTAIN, BT.
Chairman of the Board

J. A. SODEN, Q.C.
President

W. HAY
Executive Vice-President

L. GOLDFARB
Vice-President

P. R. KIRWAN-TAYLOR
Vice-President

D. G. PHILPOTT
Vice-President

D. M. REID
Vice-President

J. WISEMAN
Vice-President

D. W. JORDAN
Treasurer

J. H. PORTEOUS, Q.C.
Secretary

C. RENEMA
Comptroller

HEAD OFFICE

PLACE VILLE MARIE
Montreal, Quebec

TRANSFER AGENT

MONTREAL TRUST COMPANY
Montreal, Halifax, Toronto,
Winnipeg, Calgary, Vancouver

SHARE AND WARRANT LISTINGS

TORONTO STOCK EXCHANGE
MONTREAL STOCK EXCHANGE

AUDITORS

McDONALD, CURRIE & CO.
Chartered Accountants
Montreal, Quebec

SUBSIDIARY COMPANIES

PLACE VILLE MARIE
CORPORATION

TRITON CENTRES LIMITED

CENTRAL PARK LODGES OF
CANADA LTD.

GRANITE HOLDINGS OF
CANADA LTD.

SOCIÉTÉ IMMOBILIÈRE
PLACE D'ARMES LIMITÉE

PLACE ST-CYRILLE LIMITÉE

BRENTWOOD-TRITON LTD.

TRITON SHOPPING CENTRES
LIMITED

INVERNESS INVESTMENT
COMPANY

COVENT DELAWARE, INC.

IVERNIA INVESTMENT CO. LTD.

IMMOBILIA INC.

TRISUD CORPORATION INC.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors are pleased to present herewith the consolidated statements for the year ended December 31, 1969 which again reflect a substantial growth in the Company's earnings.

Gross revenue for the year increased from \$27,982,000 to \$37,774,000. The Company's earnings before giving effect to extraordinary income of \$706,000 increased from \$1,122,000 in 1968 to \$2,026,000 and totalled \$2,732,000 for the year. The extraordinary item of income as reported in the interim statement for the six months ended June 30, 1969 resulted from the acquisition from a major shareholder of debentures of the Company, mortgage bonds of a subsidiary and preferred and common stock of two U.S. corporations. These assets were acquired in consideration of the assumption by the Company of debt equivalent to the value of the assets. Since year end, the preferred shares were sold at a profit and part of the proceeds was applied in payment of \$4,600,000 U.S. of the related indebtedness.

The Company's net earnings are responsive to current interest rates by reason of its short and medium term debt position and the funding or repayment of these borrowings remains a primary objective. Towards this end a subsidiary, Place Ville Marie Corporation, issued \$15,000,000 principal amount of its 8% General Mortgage Bonds and retired shorter term indebtedness out of the proceeds. These Bonds were accompanied by warrants entitling the holders to acquire common shares of the Company's stock at \$3.00 per share at any time to and including February 15, 1979. The warrants are listed for trading on the Montreal and Toronto Stock Exchanges and 2,250,000

shares have been reserved for the exercise of the warrants.

A significant change has recently occurred affecting the share position of the Company's two largest shareholders who between them controlled approximately 54% of the issued and outstanding common stock. Star (Great Britain) Holdings Limited purchased from Eagle Star Insurance Company Limited its holding of 27.5% of the Company's common shares and at the same time acquired more than 90% of the stock of Second Covent Garden Property Company Limited which continues to own 26.5% of the Company's common shares. Eagle Star as part of the same transaction agreed to subscribe for stock and loan stock of Star (Great Britain) and in turn became the single largest shareholder of Star (Great Britain) with approximately 16% of the issued and outstanding stock. Control of Trizec has thus been consolidated in a single company and Star (Great Britain) has advised the Board that it intends to provide additional financing to Trizec for the dual purpose of reducing interest costs on existing borrowings and providing working capital for an accelerated expansion program.

After these transactions, Mr. Robert Potel, who is Chairman and Managing Director of Star (Great Britain) and Mr. David A. Llewellyn, a Director of Star (Great Britain), were elected to the Company's Board in place of Mr. H. R. Moore and Mr. H. J. A. Harbour. Mr. James A. Soden was also elected to the Board of Star (Great Britain). The Directors of Trizec desire to extend their appreciation for the meaningful contribution which was made by Mr. Moore and Mr. Harbour during the Company's formative years.

The Company has recently joined with a number of other major real estate companies in the formation of the Canadian Institute of Public Real Estate Companies for the purpose of ensuring that the industry will be adequately represented before all levels of Government and regulatory authorities and that consistent standards of practice in such matters as accounting and reports to shareholders will be adhered to by the members of the Institute. The Institute intends to make representations to the Government in connection with the White Paper on proposed tax reforms which, if implemented in the present form, would have serious adverse effects not only upon the real estate industry but upon the entire Canadian economy.

During the year the Company extended its activities in the field of providing professional management for major real estate developments by entering into an agreement for the management of Place Bonaventure in Montreal. Place Bonaventure is the largest commercial structure in Canada and the Company is responsible for all aspects of Place Bonaventure which includes retail space, office space, a merchandise mart and a highly successful exhibition hall which has attracted many international exhibitions since it was opened in 1967.

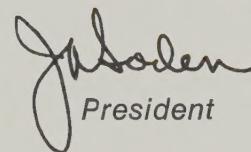
In the opinion of the Board, it is in the Company's interests to ensure that senior management is given adequate incentives to stimulate the Company's growth and in this connection proposes to adopt an Executive Incentive Compensation Plan. Under the Plan, the participants will be given the opportunity to purchase shares in the Company's stock and will be assisted to do so by the Company as permitted by law. For this purpose Special By-law "J" has been enacted by the Board and will be presented to the shareholders for their sanction at the Meeting to be held June 9th, 1970.

The Board expects 1970 to be a year in which the Company's earnings will show further improvement from existing assets and is most hopeful that this inherent growth in earnings can be accelerated through a vigorous expansion and acquisition program.

On behalf of the Board



Chairman of the Board


President

April 30, 1970

REVIEW OF OPERATIONS

The favourable operating results for 1969 are a reflection of a sustained and satisfying improvement in all aspects of the Company's affairs. 1969 is the sixth consecutive year in which Trizec's earnings have materially improved over the previous year and underlines the quality of the Company's major assets.



Place Ville Marie

Office Buildings

The final stage of construction at Place Ville Marie was completed in the Spring of 1969 with the addition of approximately 130,000 sq. ft. to the Esso and Greenshields Buildings, bringing the total rentable area of Place Ville Marie to in excess of 3,000,000 sq. ft. Leasing results have been very satisfactory and the overall vacancy rate in Place Ville Marie is approximately 1%. Although the market for office space in Montreal weakened during 1969, recent improvement trends will be reflected in the leasing progress of our other major office buildings, 360 St. James Street West and the Banque Canadienne Nationale Building.



Place Ville Marie - Shopping Promenade



Retirement Lodge

Shopping Centres

Our shopping centres, Yorkdale-Toronto, Brentwood-Vancouver and Halifax continue to enjoy improved revenues and Yorkdale in particular achieved during the year a record level of sales. It is our intention, in appropriate circumstances, to expand all three centres by the construction of both retail and commercial space and we are well advanced in our planning in this regard. An agreement in principle has been reached with the municipal and other governmental authorities for the development of Eastdale Shopping Centre in Toronto, which on completion of the initial phase, will have The T. Eaton Company Limited and Simpsons, Limited as principal tenants and a total rentable area of 975,000 sq. ft. The Company has an equity interest in the shopping centre portion of the development and is responsible for all of the planning and design aspects of the overall project which encompasses the Scarborough Town Square and related residential and commercial developments.



Yorkdale Shopping Centre - Toronto

Retirement Lodges

Since the Company's acquisition of Central Park Lodges of Canada Ltd., three additional retirement lodges have been opened. There are now approximately 2500 guests accommodated in 19 lodges situated in Ontario, the Prairie Provinces and British Columbia. The need for this type of accommodation is continually growing and the Company has selected four additional sites for expansion in the immediate future.



Retirement Lodge

Residential

South West One developed by a partly owned subsidiary, Immobilia Inc., maintains its reputation as a desirable residential community in suburban Montreal. Current rentals have increased substantially over initial rentals and the Company anticipates increased revenues from this property in the future. Full occupancy is expected to be achieved in the summer of 1970.

Place Bonaventure

The Company's experience in management of major commercial complexes resulted in 1969 in the Company being retained to manage the huge Place Bonaventure in Montreal. The largest element of Place Bonaventure is the 950,000 sq. ft. of merchandise mart space designed to provide facilities for permanent buying offices of Canadian retailers in conjunction with permanent showrooms for 1,200 manufacturers grouped by industry. Good progress has been made in the leasing of this space and retail activity has improved as a result of intensified promotional efforts. Management is confident that Place Bonaventure will soon be recognized as one of the greatest commercial centres of the world.



Place Bonaventure

Other Assets

Satisfactory progress is being made in the planned development of the Company's 5-acre site in Quebec City. A master plan has been prepared encompassing a 32-storey office tower, an ultra-modern hotel, a low rise office building of 150,000 sq. ft. as well as retail space, restaurants, cinemas and parking. The design permits the construction of the buildings in phases in much the same fashion as was done at Place Ville Marie. It is hoped that an early start can be made on the initial phase following completion of negotiations now in progress with proposed major tenants.

A master plan is now being developed for the Company's property on the South Shore of the St. Lawrence River at Montreal and contemplates residential and commercial buildings. The Company will proceed with the development as suitable financing is arranged and as indicated by market demand.

Financing

Despite a difficult financial market, debt maturing within one year was reduced from \$65,272,000 as at December 31st, 1968 to \$12,253,000 at the end of 1969. Part of this substantial reduction was achieved by new permanent financing of approximately \$25,000,000 including the issue of \$15,000,000 principal amount of Place Ville Marie Corporation's 8% General Mortgage Bonds Series A. The remaining amount was provided by the extension, renewal or retirement of bank or other loans. In addition to normal amortization payments arising from the Company's long term financing, the 1970 short term requirements have been arranged as at the date of this report.

TRIZEC CORPORATION LTD. and Subsidiary Companies

Consolidated Balance Sheet

as at December 31, 1969

(in thousands of dollars)

ASSETS

CURRENT ASSETS

	1969	1968
	\$	\$
Cash	1,835	1,082
Accounts receivable	5,065	4,912
Deposits	327	3,916
Prepaid expenses	2,222	1,856
	<u>9,449</u>	<u>11,766</u>

FIXED ASSETS (note 3)

Land	11,782	10,814
Buildings and equipment	<u>212,100</u>	<u>196,612</u>
	<u>223,882</u>	<u>207,426</u>
Accumulated depreciation	8,316	6,795
	<u>215,566</u>	<u>200,631</u>
Construction in progress	2,193	10,995
	<u>217,759</u>	<u>211,626</u>

OTHER ASSETS

Investments — at cost (note 4)	8,670	30
Bond discount and expenses, less amortization	652	—
Excess of cost of shares over net assets of subsidiary companies	<u>17,177</u>	<u>17,236</u>
	<u>26,499</u>	<u>17,266</u>
	<u>253,707</u>	<u>240,658</u>

LIABILITIES

CURRENT LIABILITIES

Bank advances (secured)	—	1,451
Accounts payable and accrued liabilities	8,596	7,792
Holdbacks on construction contracts	139	1,194
	<u>8,735</u>	<u>10,437</u>

LONG-TERM DEBT

(including amounts aggregating \$12,253,000 due within one year) — see statement	216,192	204,173
	<u>224,927</u>	<u>214,610</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 5)

Authorized —

38,000,000 common shares without par value		
Issued and fully paid —		

28,720,000 shares	24,258	24,258
	<u>780</u>	<u>780</u>

CONTRIBUTED SURPLUS	3,742	1,010
	<u>28,780</u>	<u>26,048</u>

RETAINED EARNINGS (note 6)	253,707	240,658
	<u>253,707</u>	<u>240,658</u>

SIGNED ON BEHALF OF THE BOARD

J. A. SODEN, Director

F. B. COMMON, Jr., Director

TRIZEC CORPORATION LTD. and Subsidiary Companies

Consolidated Statement of Earnings

for the year ended December 31, 1969

	(in thousands of dollars)	
	1969	1968
	\$	\$
INCOME		
Property operations	36,663	26,970
Interest and miscellaneous income	1,111	1,012
	<u>37,774</u>	<u>27,982</u>
EXPENSES (note 3 (a))		
Operating and rent	11,159	6,432
Salaries, general and administrative	2,023	1,773
Property taxes	7,012	5,744
Interest on long-term debt	14,018	11,618
	<u>34,212</u>	<u>25,567</u>
OPERATING PROFIT BEFORE DEPRECIATION		
	<u>3,562</u>	<u>2,415</u>
DEPRECIATION OF FIXED ASSETS		
	<u>1,536</u>	<u>1,293</u>
EARNINGS BEFORE EXTRAORDINARY ITEM		
	<u>2,026</u>	<u>1,122</u>
EXTRAORDINARY ITEM		
Net gain on purchase of mortgage bonds and debentures of the company	706	—
NET EARNINGS FOR THE YEAR (note 7)	<u>2,732</u>	<u>1,122</u>

Consolidated Statement of Retained Earnings

for the year ended December 31, 1969

	(in thousands of dollars)	
	1969	1968
	\$	\$
RETAINED EARNINGS (DEFICIT) — BEGINNING OF YEAR		
	1,010	(11,775)
Credit arising from the cancellation of paid up capital (note 6)	—	11,775
Net earnings for the year	2,732	1,122
Expenses of issue of common shares	—	(112)
RETAINED EARNINGS — END OF YEAR	<u>3,742</u>	<u>1,010</u>

TRIZEC CORPORATION LTD. and Subsidiary Companies

Consolidated Statement of Long-Term Debt

as at December 31, 1969

	(in thousands of dollars)		
	Issued as collateral	Total outstanding	Portion due within one year
MORTGAGES			
13 1/2% second mortgage due June 30, 1970		2,250	2,250
11-12% first mortgage bonds due January 15, 1971		16,750	
Mortgages and mortgage bonds bearing interest at 7% to 10% and due at various dates from 1973 to 1995		14,317	350
6 3/8% first mortgage sinking fund bonds due March 1, 1990		17,045	
6 1/2% first mortgage sinking fund bonds due June 1, 1990		5,845	
6 3/8% first mortgage sinking fund bonds due June 15, 1990		6,266	
8% general mortgage bonds Series "A" due February 15, 1991		15,000	
8% general mortgage bonds Series "B" due February 15, 1991		3,044	
6 1/2% general mortgage bonds Series "C" due February 15, 1991		2,283	
6 3/4% first mortgage due May 1, 1991		1,595	35
6 1/2% first mortgage sinking fund bonds due December 1, 1993 (\$23,142,000 U.S.)		24,933	632
6 1/2% first mortgage sinking fund bonds due December 1, 1993		9,512	185
7 1/2% first mortgage sinking fund bonds due December 1, 1993		22,987	321
7 5/8% first mortgage sinking fund bonds due December 1, 1993		9,926	157
7% first mortgage due September 1, 1995		6,838	46
7 1/4% collateral trust bonds due June 1, 1999		4,500	46
Other mortgages without interest issued as collateral for a loan and performance guarantees	\$ 5,972 U.S.	<u><u>\$ 5,000</u></u>	
SECURED BANK LOANS			
Due March 31, 1970 (\$4,600,000 U.S.)		4,968	4,968
Due in three equal instalments October 1970 to 1972 (\$4,800,000 U.S.)		5,184	1,728
Due April 30, 1972 (\$6,979,000 U.S.)		7,500	
Due October 31, 1972 (\$5,972,000 U.S.)		6,407	
Due October 31, 1972 (\$10,000,000 U.S.)		10,455	
DEBENTURES			
7% convertible debentures due December 31, 1993		7,500	
Other debentures issued as collateral for secured bank loan	\$15,000 U.S.	<u><u></u></u>	
PROMISSORY NOTES			
14% due February 1, 1970 (\$1,000,000 U.S.)		1,077	1,077
7% payable in three equal instalments November 1971 to 1973		1,500	
5% due December 31, 1973		5,250	
OTHER LONG-TERM INDEBTEDNESS	3,260	458	
	<u><u>216,192</u></u>	<u><u>12,253</u></u>	

TRIZEC CORPORATION LTD. and Subsidiary Companies

Consolidated Statement of Source and Use of Funds

for the year ended December 31, 1969

(in thousands of dollars)

	1969	1968
OPERATIONS	\$	\$
Net earnings for the year	2,732	1,122
Non cash items		
Depreciation	1,536	1,293
Net gain on purchase of mortgage bonds and debentures of the company	(706)	—
Funds from operations	3,562	2,415
Mortgage and sinking fund payments	2,212	1,715
Funds from operations available for investment	<u>1,350</u>	<u>700</u>

NEW FINANCING

Capital stock issued (net)	—	16,701
Additional long-term debt (net)	32,553	16,180
Repayment of interim construction bank loans	(4,343)	4,633
Repayment of bank loans	(13,925)	(9,817)
Funds available from new financing	<u>14,285</u>	<u>27,697</u>
FUNDS OBTAINED FROM NET CURRENT ASSETS	659	2,618
TOTAL FUNDS FROM ALL SOURCES AVAILABLE FOR INVESTMENT	<u>16,294</u>	<u>31,015</u>

INVESTED AS FOLLOWS

In construction and development of properties	7,654	10,364
In acquisition of subsidiary companies	—	20,651
Shares in property companies	<u>8,640</u>	<u>—</u>
	<u>16,294</u>	<u>31,015</u>

Notes to Consolidated Financial Statements

for the year ended December 31, 1969

1. PRINCIPLES OF CONSOLIDATION

- (a) The consolidated financial statements include the accounts of all companies in which the parent company holds an interest in excess of 50%.
- (b) The minority interest in partly-owned subsidiaries is not significant and has not been disclosed separately.

2. FOREIGN EXCHANGE

- (a) Current assets and current liabilities in United States funds have been expressed in Canadian dollars at the rate of exchange prevailing at December 31, 1969.
- (b) Long-term debt payable in United States funds has been expressed in Canadian dollars as follows:
 - i. Due within one year and to be repaid on maturity — at the rate of exchange prevailing at December 31, 1969.
 - ii. All other long-term debt — at the rate of exchange prevailing when the funds were received.

3. FIXED ASSETS

- (a) The equipment is carried at cost and the land, buildings and construction in progress are carried at cost plus development expenses including mortgage and loan interest, property taxes, mortgage and legal fees, advertising, promotion, lease obligations and other administrative costs. During 1969 and 1968 the carrying cost of properties under development was increased by the addition of the following directly related expenses:

	1969	1968
	\$	\$
Salaries, general and administrative	810,000	398,000
Property taxes	580,000	211,000
Interest on long term debt	1,644,000	484,000
	<u>3,034,000</u>	<u>1,093,000</u>

- (b) Land and buildings carried at approximately \$153,547,000 are held under leases or agreements expiring as follows:

Year	Amount
2024	1,689,000
2031	16,683,000
2056	118,707,000
2061	13,168,000
2067	<u>3,300,000</u>
	<u>\$153,547,000</u>

- (c) The depreciation policy is based on a sinking fund method under which an increasing amount, consisting of a fixed annual sum together with interest compounded at the rate of 4% per annum, is charged to earnings so as to fully depreciate the properties as follows:

Place Ville Marie	60 years
360 St. James Street Building	60 years
Shopping Centres	40 years
Other buildings	25-40 years

No depreciation has been taken on certain buildings carried at \$27,648,000 as these properties are not yet fully developed.

- (d) No substantial expenditure will be required to complete the construction in progress.

4. INVESTMENTS

Investments comprise shares in other property companies and are carried at cost. Certain of these shares were sold after the year end at a price in excess of their cost. A major shareholder has undertaken to repurchase the remaining shares at their original cost if called upon to do so in June 1972.

5. CAPITAL STOCK

- (a) The company has reserved 4,000,000 shares to meet the conversion privilege of the \$10,000,000 7% convertible debentures of the company of which \$7,500,000 was outstanding as at December 31, 1969. These debentures are convertible at the option of the holder after December 31, 1975 and on or before December 31, 1980 into fully paid shares without par value of the company at \$2.50 per share (subject to adjustment).
- (b) An additional 2,250,000 shares of the company have been reserved for the exercise at \$3 per share (subject to adjustment) on or before February 15, 1979 of the warrants attached to the 8% general mortgage bond series A of Place Ville Marie Corporation.

6. RETAINED EARNINGS

In 1968 the paid up capital was reduced by an amount of \$11,775,000 which was applied against the accumulated deficit.

7. NET EARNINGS FOR THE YEAR AND INCOME TAXES

If the company had not been able to apply losses carried forward from prior years or available capital cost allowances, income taxes of approximately \$1,670,000 (1968 — \$761,000) would have been deducted in arriv-

ing at net earnings for the year. As at December 31, 1969 capital cost allowances (representing the excess of depreciation written in the accounts over that claimed for tax purposes) and losses from prior years amounting in the aggregate to approximately \$4,880,000 can be applied against taxable income of future years.

8. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

- (a) The company's holdings in shares, debentures and notes of certain subsidiaries have been pledged as security for bank and other loans.
- (b) Place Ville Marie Corporation has a commitment to pay up to \$2,000,000 should certain levels of cumulative net earnings be reached with respect to the Place Ville Marie project and related operations by December 31, 1970. It is not anticipated that these levels will be reached.

9. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Directors' remuneration amounted to \$189,199 in 1969 and \$204,007 in 1968. In addition remuneration of senior officers who are not directors was \$79,974 in 1969 and \$59,859 in 1968.

**AUDITORS'
REPORT
TO THE
SHAREHOLDERS**

We have examined the consolidated balance sheet of Trizec Corporation Ltd. and its subsidiary companies as at December 31, 1969 and the consolidated statements of earnings, retained earnings and source and use of funds for the year then ended. Our examination of the financial statements of Trizec Corporation Ltd. and the subsidiaries of which we are the auditors included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of the other subsidiaries.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1969 and the results of their operations and the source and use of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

**McDONALD, CURRIE & CO.
Chartered Accountants**

Montreal, April 3, 1970

TRIZEC CORPORATION LTD. and Subsidiary Companies

A NINE-YEAR FINANCIAL REVIEW

	1961	1962	1963	1964	1965	1966	1967	1968	1969
(In thousands of dollars)									
Gross Revenue	131	4,194	11,310	15,043	17,744	21,062	24,957	27,982	37,774
Cost of Operations	285	7,044	14,717	16,702	18,297	20,825	23,505	25,567	34,212
Earnings (Loss) Before Depreciation	(154)	(2,850)	(3,407)	(1,659)	(553)	237	1,452	2,415	3,562
Depreciation	—	27	668	860	1,008	1,078	1,195	1,293	1,536
Net Earnings (Loss) Before Extraordinary Item	(154)	(2,877)	(4,075)	(2,519)	(1,561)	(841)	257	1,122	2,026
Extraordinary Item	—	—	—	—	—	—	—	—	706
Net Earnings (Loss)	(154)	(2,877)	(4,075)	(2,519)	(1,561)	(841)	257	1,122	2,732

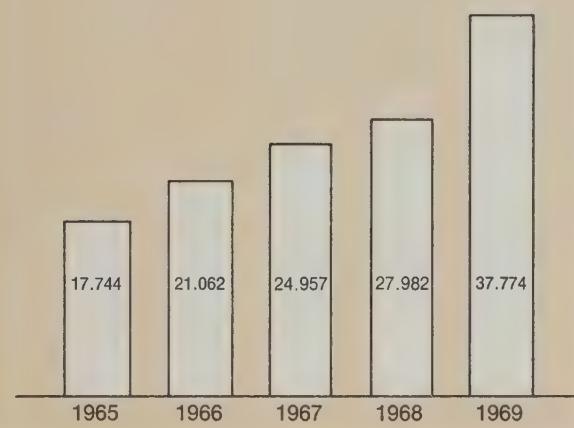
NET EARNINGS FROM OPERATIONS

in millions of dollars



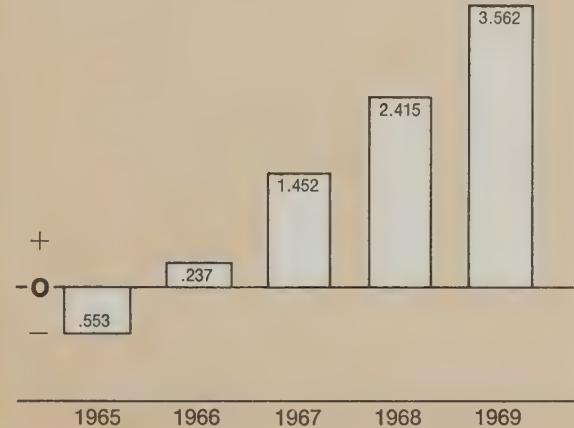
GROSS REVENUE

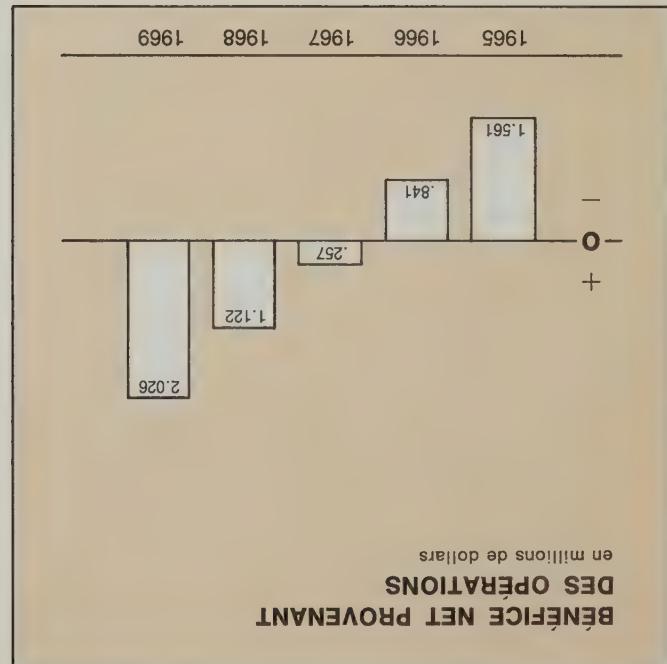
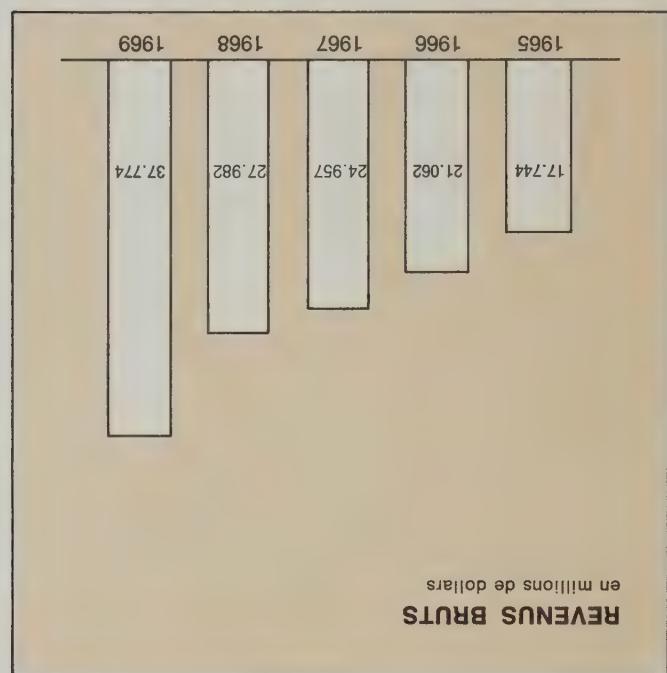
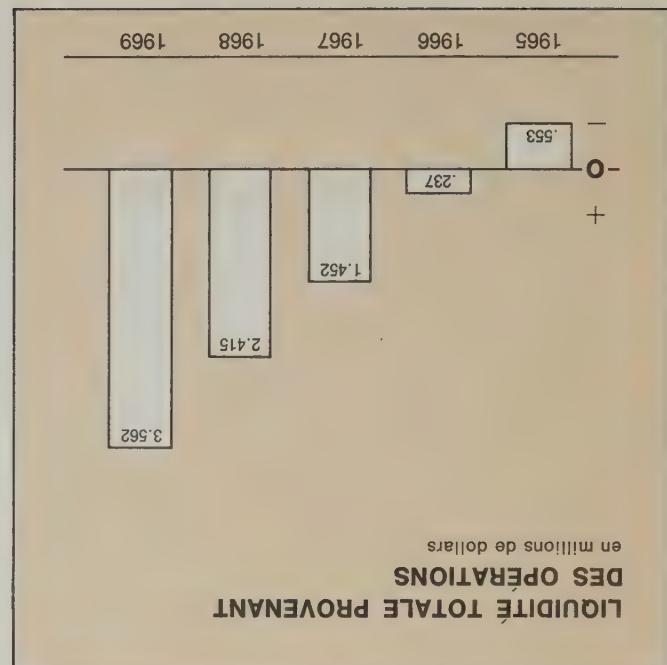
in millions of dollars



CASH FLOW FROM OPERATIONS

in millions of dollars





Revenu brut	131	4,194	11,310	15,043	17,744	21,062	24,957	27,982	37,774
Coût d'exploitation	285	7,044	14,717	16,702	18,297	20,825	23,505	25,567	34,212
Bénéfice (perre) avant amortissement	(154)	(2,850)	(3,407)	(1,659)	(553)	237	1,452	2,415	3,562
Bénéfice (perre) avant amortissement et poste extraordinaire	(154)	(2,877)	(4,075)	(2,519)	(1,561)	(841)	257	1,122	2,026
Amortissement	—	27	668	860	1,008	1,078	1,195	1,293	1,536
Bénéfice (perre) net, compte tenu d'un poste extraordinaire	(154)	(2,877)	(4,075)	(2,519)	(1,561)	(841)	257	1,122	2,026
Poste extraordinaire	—	—	—	—	—	—	—	—	706
Bénéfice (perre) net	(154)	(2,877)	(4,075)	(2,519)	(1,561)	(841)	257	1,122	2,732

(en milliers de dollars)

1961 1962 1963 1964 1965 1966 1967 1968 1969

RECAPITULATION DES RESULTATS DES NEUF DERNIÈRES ANNÉES

REPORT DES VERIFICATEURS AUX ACTIONNAIRES

Nous avons examiné le bilan consolidé de Trizec Corporation Ltd. et ses filiales au 31 décembre 1969 et les résultats consolidés des bénéfices, des bénéfices non préparatifs et de la provenance et de l'utilisation des fonds pour l'exercice terminé à cette date. Notre examen des états financiers de Trizec Corporation Ltd. et ses filiales dont nous sommes les vérificateurs, a comporté une revue générale des procédés comptables et les sondages des livres, pièces et autres documents à l'appui que nous avons considérés nécessaires dans les circonstances. Nous nous sommes tenus aux rapports des vérifiés. Nous nous sommes également intéressés à la situation financière des compagnies équitablement la situation financière des compagnies au 31 décembre 1969 et les résultats de leurs opérations pour l'exercice terminé à cette date, conformément aux principes comptables généralement reconnus, applicables de la même manière qu'au cours de l'exercice précédent.

À notre avis, ces états financiers consolidés présentent équitablement la situation financière des compagnies au 31 décembre 1969 et les résultats de leurs opérations au cours de l'année. Les résultats de l'exploitation pour l'exercice terminé à cette date, conformément aux principes comptables généralement reconnus, appliqués de la même manière qu'au cours de l'exercice précédent.

pour l'exercice terminé à cette date. Notre examen des parts financières de Trizec Corporation Ltd. et ses filiales, dont nous sommes les vérificateurs, a comporté une revue générale des procédés comptables et les sondages des livres, pièces et autres documents à l'appui que nous avons considérés nécessaires dans les circonstances. Nous nous sommes également intéressés aux rapports des catégories qui ont fait l'examen des états financiers des sociétés. Nous nous sommes également intéressés aux rapports des autres filiales.

Montréal, le 3 avril 1970

MCDONALD, CURRIE & CIE
Comptables agréés

7. BÉNÉFICE NET POUR L'EXERCICE ET IMPÔTS

SUR LE REVENU

Les impôts sur le revenu autrement payables d'environ

Les impôts sur le revenu autrement payables d'environ \$1,670,000 (1986 — \$761,000) auraient réduits le bénéfice net de l'exercice si la campagne n'avait pas utilisée des pertes reportées d'années antérieures ou des allocations de cout en capital disponibles. Au 31 décembre 1989, les allocations de cout en capital représentant l'excédent de l'amortissement comparé au montant des exercices antérieurs ou des pertes reportées d'années antérieures ou tablisse sur l'amortissement disponible aux fins de l'impôt) et les pertes des exercices antérieurs totales s'avanterait environ \$4,880,000 pour servir à réduire les revenus imposables des exercices futurs.

8. PASSIFS ÉVENTUELS ET AUTRES ENGAGEMENTS

(a) Le portefeuille de la compagnie en actions, en dépendances et en billets de quelques filiales a été porté en garantie des emprunts bancaires et d'autre part.

(b) La Place Ville-Marie Corporation s'est engagée à payer jusqu'à concurrence de \$2,000,000 dans la mesure où les bénéfices cumulatifs en ce qui a trait au projet Place Ville-Marie et toutes activités connexes au projet atteint certains paliers au 31 décembre 1970. Il est peu probable que les bénéfices atteignent ces paliers.

9. REMUNERATION DES ADMINISTRATEURS ET DES PRINCIPAUX DIRIGEANTS

La remuneratior des admisistratius s'est chiffrée par
\$189,199 en 1969 et \$204,007 en 1968. De plus, la
remuneratior des principaux dirigeants qui ne sont pas
des administrateurs etat de \$79,974 en 1969 et de
\$59,859 en 1968.

EN 1968 LE CAPITAL-ACCTIONS VERSE FUT REDUIT D'UN MONTANT DE \$11,775,000 QUI SERVIT A ANNULER LE DEFICIT ACCUMULE.

6. BENEFICES NON REPARTIS

b) Un nombre additionnel de 2,250,000 actions de la compagnie a été réservé aux fins de l'exercice du droit d'option à l'achat d'actions à \$3 l'action (sujet à des rajustements) le ou avant le 15 février 1979 ou offrant les certificats annexes aux obligations première hypothéque 8%, série A, de Place Ville-Marie.

La campagne a réservé 4,000,000 d'actions afin de répondre aux exigences du privilège de conversion des débentures convertibles 7% de la compagnie pour un montant de \$10,000,000 dont \$7,500,000 étaient en circulation le 31 décembre 1969. Ces débentures sont convertibles au choix du détenteur après le 31 décembre 1975, le ou avant le 31 décembre 1980 en des actions entièrement versées sans valeur nominale de la compagnie à \$2.50 l'action sujet à des rajustements.

5. CAPITAL-ACTIONS

Les placements sont des actions de compagnies de dete-
nant des propriétés, et sont montées au court. Certaines de ces actions furent vendues après la fin de l'exercice 1972 le reste des actions à leur coût original.

4. PLACEMENTS

(d) Les couts additionnels requis pour compléter les constructions en cours sont minimes.

Aucun amortissement n'a été comptabilisé sur certaines propriétés portées à \$27,648,000, puisque celles-ci ne sont pas encore complètement utilisées.

Place Ville-Marie	60 ans
360 St. James Street Building	60 ans
Centres commerciaux	40 ans
Propriétés diverses	25 à 40 ans

(c) Le calcul de l'amortissement est fondé sur la méthode de l'amortissement à intérêt constant qui consiste en une somme annuelle déterminée à amortir complètement les bénéfices de façon à amortir complètement les propriétés comme suit:

	\$153,547,000
Montant	
Année	
2024	1,689,000
2031	16,683,000
2056	118,707,000
2061	13,168,000
2067	3,300,000

(b) Les bâtiments qui ont été portés à environ \$153,547,000 sont situés sur des terrains qui sont assujettis à des baux qui expirent comme suit:

	\$1,093,000
à long terme	1,644,000
Taxes foncières	580,000
d'administration	810,000
Salaires, frais généraux	398,000
	\$
1968	1968

Au cours de 1969 et de 1968, les frais d'exploitation concernant les propriétés en voie de développement ont été augmentés à la suite de l'addition des frais directs connexes suivants:

comptes de toutes les filiales qui participent à 50%.
Les intérêts minoritaires dans les filiales en copropriété ne sont pas significatifs et ils ne paraisse pas sous une rubrique spéciale aux états financiers consolidés.
(a) Les états financiers consolidés comprennent les résultats d'exploitation pour l'exercice terminé le 31 décembre 1969.
1. PRINCIPES SUIVIS POUR LA CONSOLIDATION

Notes se rapportant aux états financiers consolidés

EXPLORATION	
1,122	Bénéfice net pour l'exercice
1,293	Amortissement
1,536	Gain net à l'achat d'obligations hypothécaires et de débentures de la compagnie
—	Fonds provenant de l'exploitation
2,415	Versements sur les créances hypothécaires et sur le fonds d'amortissement
1,715	Fonds provenant de l'exploitation
1,350	Fonds provenant de l'exploitation, utilisables à des fins de placements
700	—
NOUVELLES SOURCES DE FINANCEMENT	
16,701	Capital-actions émis, montant net
16,180	Dettes à long terme supplémentaires, montant net
32,553	Remboursement d'emprunts bancaires provisoires aux fins de construction
4,633	Remboursement d'emprunts bancaires aux fins de construction
(9,817)	Remboursement des emprunts bancaires
27,697	Fonds utilisables provenant de nouvelles sources de financement
2,618	Fonds provenant des disponibilités
16,294	TOTAL DES FONDS DE TOUTES PROVENANCES
31,015	UTILISABLES À DES FINS DE PLACEMENT
—	CES FONDS ONT ÉTÉ PLACÉS COMME SUIT:
10,364	Construction et développement de propriétés
20,651	Achat de filiales
8,640	—
16,294	Actions dans des compagnies détenant des propriétés
31,015	—

TOUTES COMBINAISSES DE LA PROVENANCE ET DE L'UTILISATION DES FONDS

pour l'exercice terminé le 31 décembre 1969

(en milliers de dollars)

1,010	3,742	BENEFICES NON REPARTIS — A LA FIN DE L'EXERCICE
(112)	—	Depenses concernant l'émission d'actions ordinaires
1,122	2,732	Benefice net pour l'exercice
11,775	—	Crédit provenant de l'annulation du capital-actions versé (note 6)
(11,775)	1,010	BENEFICES NON REPARTIS (DEFICIT) — AU DEBUT DE L'EXERCICE
\$	\$	
1969	1969	pour l'exercice terminé le 31 décembre 1969

(en milliers de dollars)

1,122	2,732	BENEFICE NET POUR L'EXERCICE (note 7)
—	706	Gain net à l'achat d'obligations hypothécaires et de débentures de la compagnie
1,122	2,026	DU UN POSTE EXTRAORDINAIRE
1,293	1,536	BENEFICE NET POUR L'EXERCICE, COMPTE NON TENU
2,415	3,562	AMORTISSEMENT DES IMMOBILISATIONS
2,567	34,212	BENEFICE D'EXPLOITATION AVANT AMORTISSEMENT
1,773	11,618	Taxes foncières
6,432	11,159	Frais d'exploitation et de location
26,970	36,663	Salaires, frais généraux d'administration
1,111	37,774	Intérêts et revenus divers
1,012	27,982	Exploitation des propriétés
\$	1969	REVENUS
1968	1969	pour l'exercice terminé le 31 décembre 1969

(en milliers de dollars)

TRIZEC CORPORATION LTD. et ses filiales		au 31 décembre 1969 Bilan consolidé
ACTIF	1968	1969
DISPONIBILITÉS		
Encaisse	1,082	
Comptes à recevoir	4,912	
Dépôts	3,916	
Frais payés d'avance	1,456	
Terrains	11,766	
Bâtiments et matériel	196,612	
Amortissement accumulé	207,426	
Placements, au court (note 4)	212,100	
Autres actifs	217,759	
Projets de construction en cours	200,631	
Excessive sur obligations et dépenses moins amortissement	6,795	
Placements, au court (note 4)	8,316	
Autres actifs	223,882	
Terreins	11,782	
10,814		
196,612		
207,426		
212,100		
217,759		
Placements, au court (note 4)	8,316	
Autres actifs	215,566	
Amortissement accumulé	200,631	
Projets de construction en cours	6,795	
Excessive sur obligations et dépenses moins amortissement	217,759	
Autres actifs	21,177	
Placements, au court (note 4)	652	
Autres actifs	17,236	
Excessive sur obligations et dépenses moins amortissement	26,499	
Autres actifs	240,658	
EXIGIBILITÉS		
Avances bancaires (garanties)	1,451	
Comptes à payer et dettes courtes	7,792	
Retenues sur contrats de construction	1,194	
Des prochains douze mois), voir le relevé	10,437	
DETTE A LONG TERME		
Autres:	204,173	
38,000,000 d'actions ordinaires sans valeur nominale	216,192	
Emis et entièrement versé:	224,927	
38,000,000 d'actions ordinaires sans valeur nominale	240,658	
Emis et entièrement versé:	253,707	
BENEFICES NON REPARTIS (note 6)		
Surplus d'APPORt	28,780	
28,720,000 actions	3,742	
1,010	24,258	
780	24,258	
780	1,010	
26,048	26,048	
240,658	240,658	
SIGNE AU NOM DU CONSEIL		
un administrateur, J. A. SODEN		
un administrateur, F. B. COMMON, JR.		

Place Bonaventure



Place Bonaventure

Autres éléments d'actif

La mise en valeur de l'emploiement de 5 acres de la compagnie à Québec progresse de façon satisfai-
sante. Un plan directeur a été préparé qui comprend un édifice à bureaux de 32 étages, un hôtel ultra-
moderne, un autre édifice à bureaux de 150,000 pi. ca. d'espace ainsi que des boutiques, des restaurants, des cinémas et de l'espace pour le stationnement. Le plan d'ensemble rend possible la construction des immeubles par étapes, comme cela s'est fait à Place Ville Marie. On espère que les premiers travaux pourront commencer sous peu, soit dès que les négociations actuellement en cours avec les principaux locataires éventuels seront terminées.

Un plan directeur est en voie d'être élaboré pour la propriété de la compagnie sur la rive sud du St-Laurent à Montréal, où on prévoit la construction d'immeubles résidentiels et commerciaux. La com-
pagnie procédera à la mise en valeur de cet emplace-
ment dès que le financement approuvé aura été obtenu dans les limites d'un an est passé de

En dépit d'un marché financier difficile, la dette \$65,272,000 au 31 décembre 1968 à \$12,253,000 à la fin de 1969. Une partie de cette réduction appréciable a été réalisée à l'aide d'un nouveau financement permanent d'environ \$25,000,000 compris dans l'émission de \$15,000,000 en capital d'obligations hypothécaires à 8%, Série A, de Place Ville Marie Corp. La dette reste à assurer par le prolongement, le renouvellement ou le remboursement de prêts ban-
caires ou autres. En plus des paiements réguliers d'amortissement découlant du financement à long terme de la compagnie, les exigences à court terme de 1970 ont fait l'objet de dispositions à la date de ce rapport.

Financement

Le plus important de Place Bonaventure est le total de 950,000 pieds carrés d'espace destiné à des bureaux permanents d'achats pour détaillants cana-
diens ainsi que les salles permanentes de démonstra-
tion destinées à quelque 1,200 fabricants, groupes et espaces progressifs, et l'activité au niveau du détail selon l'industrie qu'ils représentent. La location de cet espace améliorée à la faveur d'une promotion accrue. La direction a confiance que Place Bonaventure sera un des plus événuellement reconnu comme l'un des plus grands centres commerciaux du monde entier.

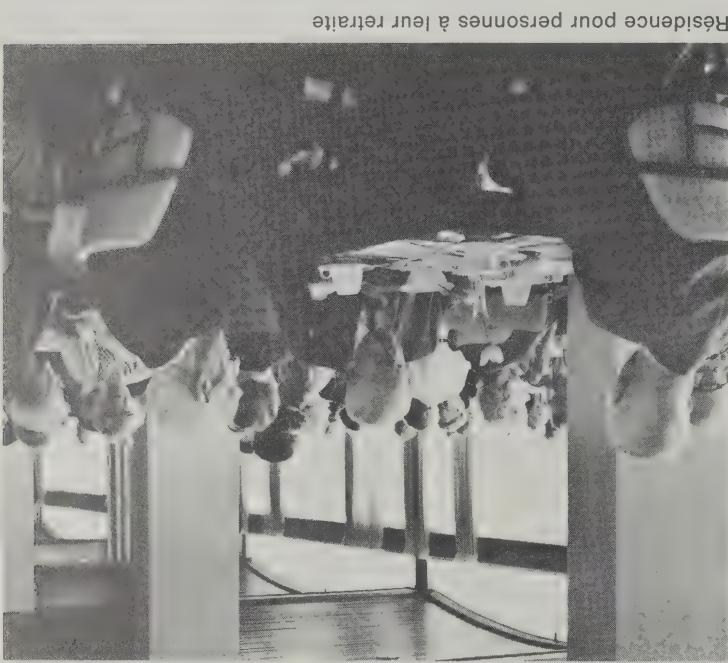
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pagnie procédera à la mise en valeur de cet emplace-
ment dès que le financement approuvé aura été obtenu dans les limites d'un an est passé de

Dépouïs que la compagnie a fait l'acquisition de Central Park Lodges of Canada Ltd., trois résidences additionnelles pour personnes à leur retraite ouvertes. Présentement, environ 2,500 personnes habitent dans 19 résidences situées dans l'Ontario, les Prairies et la Colombie Britannique. La demande de logements de ce genre continue de s'accroître et la compagnie a choisi d'acheter emplacements immobiliers. Nels pour une expansion qui se fera dans l'avenir.

Depuis que la compagnie a fait l'acquisition de Central Park Lodges of Canada Ltd., trois résidences additionnelles pour personnes à leur retraite ont été ouvertes. Présentement, environ 2,500 personnes habitent dans 19 résidences situées dans l'Ontario, les Prairies et la Colombie Britannique. La demande de logements de ce genre continue de s'accroître et la compagnie a choisi d'acheter emplacements immobiliers. Nels pour une expansion qui se fera dans l'avenir.

Résidences pour retraite



Résidence pour personnes à leur retraite

Habitations

South West One, un projet entrepris par l'mobilia Inc., filiale partiellement contrôlée, maintient sa réputation de communauté résidentielle de tout premier ordre en banlieue de Montréal. La location augmente sensiblement par rapport à la situation initiale, et la com-
pagnie prévoit que cette propriété rapportera des revenus accrus au cours de la période à venir. On s'attend que tous les logis seront occupés vers l'été de 1970.



Centre commercial Yorkdale - Toronto

Nos centres d'achats, Yorkdale-Toronto, Brentwood-Vancouver et Halifax, continuent de bénéficier d'un niveau record de ventes durant l'année. Nous avons l'intention d'agrandir ces trois centres en temps et lieu par la construction d'espace commercial rapide et détaillé, et nos plans à cet égard progressent et démontrent. Une entente de principe a été conclue avec la municipalité et les autorités gouvernementales en vue de la mise en valeur du centre commercial Eastdale à Toronto qui, lorsqu'elle sera terminée, aura les magasins Eaton et Simpson comme locataires principaux, avec un total d'espace à louer de 975,000 pi. ca. La compagnie détient une participation dans le capital-actions qui finance le centre d'achats lui-même, et est chargée de la planification et de la conception du projet ensemble, qui comprend le Scarborough Town Square et des projets domiciliaires et commerciaux connexes.

Centres commerciaux

Residence pour personnes à leur retraite



Le dernier stade de construction à Place Ville-Marie a été complété au printemps de 1969 avec l'addition d'environ 130,000 pi. ca. aux édifices Esso et Green-shields, ce qui porte le total de l'espace louable, à Place Ville-Marie, à plus de 3,000,000 de pi. ca. Les résultats de la location ont été très satisfaisants, le taux global d'espace vacant à Place Ville-Marie étant d'environ 1%. Bien que le marché de l'espace

pour bureaux, à Montréal, ait connu un ralentissement durant 1969, les tendances récentes vers une amélioration accrue de la situation seront reflétées dans la location de la Banque Nationale.

Le deuxième à bureaux

Le deuxième à bureaux

Place Ville-Marie - La galerie de boutiques



Les résultats favorables de 1969 reflètent une amélioration soutenue dans tous les aspects des affaires de la compagnie, amélioration qui est une source de satisfaction. 1969 est la sixième année consécutive durant laquelle les bénéfices de Trizec se sont améliorés sensiblement par rapport à l'année précédente, ce qui fait ressortir la qualité des principaux éléments d'actif de la compagnie.

REVUE DES OPÉRATIONS

TRIZEC CORPORATION LTD. et ses filiales

le 30 avril 1970

Président

President
Bush

Président du conseil

— my suggestion

Au nom du conseil

De l'avis du conseil, il y va de l'intérêt de la compagnie d'assurer à la haute direction l'en-couragement nécessaire pour stimuler son essor à cet égard, le conseil se propose d'adopter un régime de rémunération visant à encourager le personnel de direction. Aux termes de ce régime, les participants pourront acheter des actions de la compagnie et bénéficier à cette fin de l'aide de la compagnie suivant les dispositions de la loi. A cette fin, le règlement spécial "J." a été adopté par le conseil et sera présentée aux actionnaires pour leur approbation à l'assemblée du 9 juin 1970.

Le conseil prévoit que 1970 sera une année au cours de laquelle le bénéfice de la compagnie continuera de s'améliorer à même les éléments d'actif existants, et est confident que cet accroissement permet inchangé des bénéfices peut être accéléré par un programme vigoureux d'expansion et d'acquisition.

La compagnie s'est récemment jointe à un certain nombre d'autres sociétés immobilières pour que des sociétés immobilières publiques, pour que l'industrie soit bien représentée à tous les niveaux gouvernementaux et auprès des autorités, et aussi pour que des normes uniformes soient établies en ce qui a trait à la compatibilité et aux rapports aux actionnaires. L'institut se propose de faire des représentations au gouvernement en rapport avec le livre blanc sur la réforme fiscale qui, s'il étais appliquée dans sa forme actuelle, produirait des effets défavorables très sérieux non seulement pour l'industrie immobilière, mais aussi pour toute grande entreprise, en particulier les conciliant une structure commerciale au Canada et la compagnie a la responsabilité de tous les aspects de cette entreprise, qui comprend notamment les bureaux, un centre commercial et une immeuble salle d'exposition qui a su créer une atmosphère de détail, les bureaux, un centre commercial, qui comprend toutes les locaux pour commerciale et la compagnie a la responsabilité de tous les aspects de cette entreprise.

RAPPORT DES ADMI AUX ACTIONNAIRES

Un changement important est récemment survenu qui a influé sur la participation des deux plus importants actionnaires de la compagnie, qui détient environ 54% du capital. Actions émises et en circulation, Star (Grande-Bretagne) Holdings Limited a acheté de Eagle Star Insurance Company Limited sa participation de 27.5% dans les actions ordinaires de la compagnie et en même temps, a acquises plus de 90% des actions de Second Covent Garden Property Company. L'Limited, qui continue de détenir 26.5% des actions ordinaires de la compagnie. Dans le cadre de la même transaction, Eagle Star a accepté de souscrire à des actions et à son tour est devenu le plus important actionnaire unique de Star (Grande-Bretagne) avec environ 16% des actions émises et dans circulation. Le contrôle de Trizec a ainsi été consolide dans une seule entité entrepris et Star (Grande-Bretagne) a notifié le conseil qu'elle se propose de financer un financement additionnel à Trizec dans le double but de reduire les frais d'intérêt sur les emprunts existants et de fournir un fonds de roulement pour un programme accéléré d'expansion.

Qui est chairman et administrateur délégué de Star (Grande-Bretagne) et M. David A. Llewellyn, administrateur britannique du conseil de MM. H. R. Moor et H. J. A. Harbour. M. James A. Soden a également été élu au conseil de Star (Grande-Bretagne) et le Trizec désirant exprimer leur appréciation pour l'appui précieux de MM. Moor et Harbour aux affaires de la compagnie durant ses années d'existence.

La suite de ces transactions, M. Robert Pöhl, qui est chairman et administrateur délégué de Star (Grande-Bretagne) et M. David A. Llewellyn, administrateur britannique du conseil de MM. H. R. Moor (Grande-Bretagne) ont été élus au conseil de la compagnie en remplacement de M. H. R. Pöhl (Grande-Bretagne) et M. James A. Soden a également été élu au conseil de Star (Grande-Bretagne) et le Trizec désirant exprimer leur appréciation pour l'appui précieux de MM. Moor et Harbour aux affaires de la compagnie durant ses années d'existence.

Vous administrateurs sont heureux de vous présenter dans ce rapport les états consolidés pour l'exercice terminé le 31 décembre 1969, qui a dénouvé au refleté un accroissement appréciable de revenu brut pour l'exercice est passé de \$27,982,000 à \$37,774,000. Le bénéfice de la compagnie, complète non tenu d'un poste extra-ordinaire de \$706,000, est atteint en tout \$2,732,000 pour l'année. L'élément extraordinaire de revenu, tel que mentionné dans le rapport intermédiaire pour les six mois terminés le 30 juin 1969, a découle de l'acquisition, d'un actionnaire principal, de débentures de la compagnie, d'obligations hypothécaires d'une filiale et d'actions privilégiées et ordinaires de deux entreprises américaines. Ces éléments d'actif ont été acquis en considération de la prise à charge par la compagnie d'une dette équivaut à la valeur des éléments d'actif. Depuis la fin de l'année, les actions privilégiées ont été vendues avec un profit, et une partie du produit a été appliquée au paiement de \$4,600,000 (E.-U.) de la dette connexe.

Le bénéfice net de la compagnie dépend du niveau des taux courants d'intérêt en raison de la position de sa dette à court et moyen terme, et la consolidaion ou le remboursement de ces emprunts démeurent un objectif prioritaire.

À cette fin, une filiale, Place Ville Marie Corpora-tion, a émis pour \$15,000,000 en capital de ses obligations hypothécaires générale à 8% et remboursé la dette à plus court terme à même le produit. Ces obligations étaient accompagnées de droits de souscription permettant aux déteneurs d'acquérir des actions ordinaires de la compagnie à \$3 l'action en tout temps jusqu'à au 15 février 1979 inclusivement. Ces droits sont

ADMINISTRATION

F. B. COMMON, Jr., Cr.
Conseiller juridique
Ogilvy, Copé, Pouliot, Hansard, Marler,
Montréal, P.Q.

E. J. COURTOIS, Cr.
Conseiller juridique
Smith, Anglin, Loring, Weldon et Coutrois
Montréal, P.Q.

F. M. COVERT, O.B.E., Cr.
Conseiller juridique
Stewart, MacKee et Cover
Halifax, N.-E.

LE TRES HON.
VISCOUNT HARDINGE, M.B.E.
Conseiller juridique
Chairman
Grenshields Incorporated
Montréal, P.Q.

W. HAY
Vice-président à la direction
Trizec Corporation Ltd.
Montréal, P.Q.

D. A. LLWELLYN
Administrateur
Star (Groat Britain) Holdings Limited
London

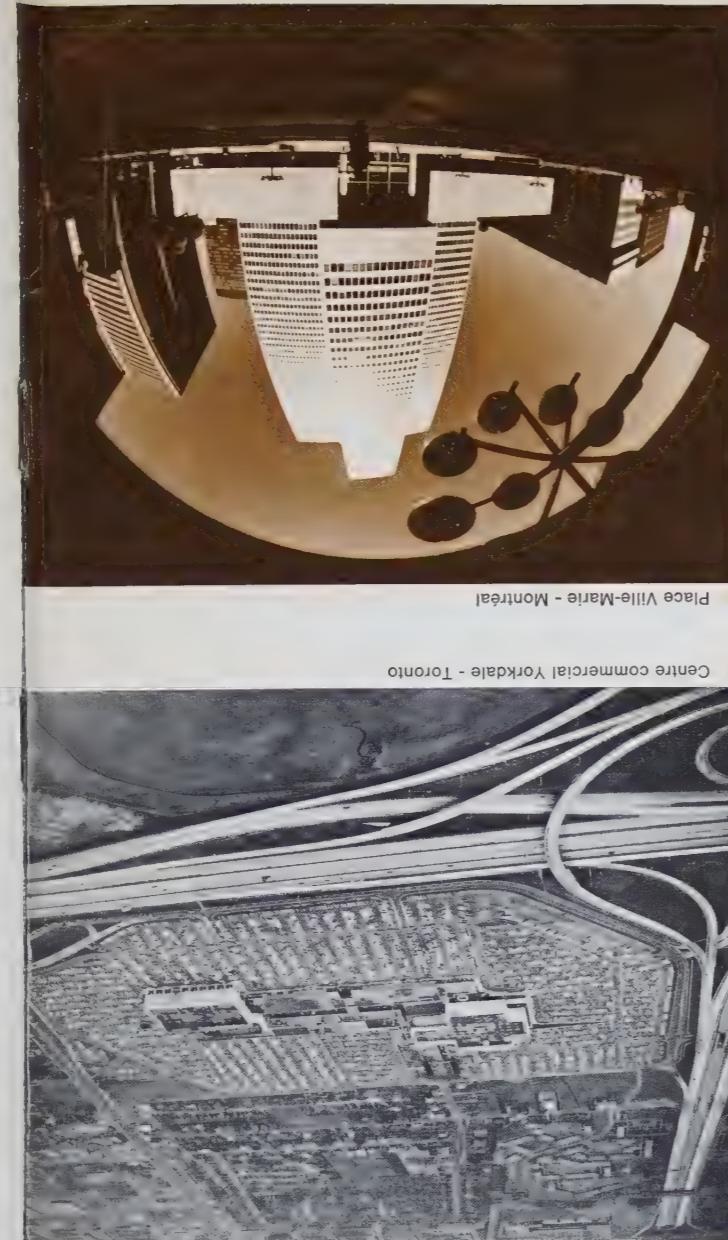
SIR BRIAN MOUNTAIN, B.T.
Chairman
Eagle Star Insurance Company Limited
London

L.HON. L. PHILLIPS, O.B.E., Cr.
Conseiller juridique
Phillips, Goodman, Phillips
Montreal, P.Q.

D. G. PHILPOTT
Vice-président
Trizec Corporation Ltd.
Toronto, Ontario

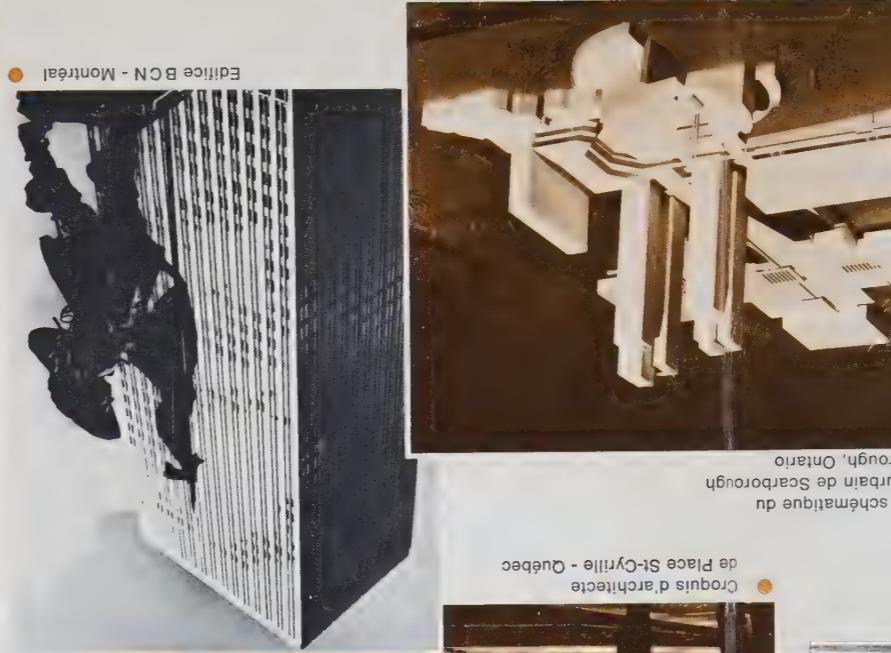
R. POTEL
Président du conseil et directeur général
Star (Groat Britain) Holdings Limited
London

J. A. SODEN, Cr.
Président
Trizec Corporation Ltd.
Montreal, P.Q.

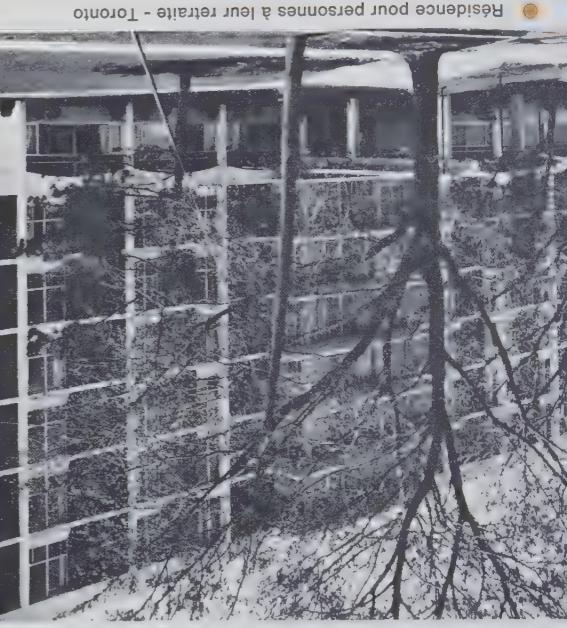


Place Ville-Marie - Montréal

Centre commercial Yorkdale - Toronto



Centre commercial Yorkdale - Toronto



Place St-Cyrille - Québec

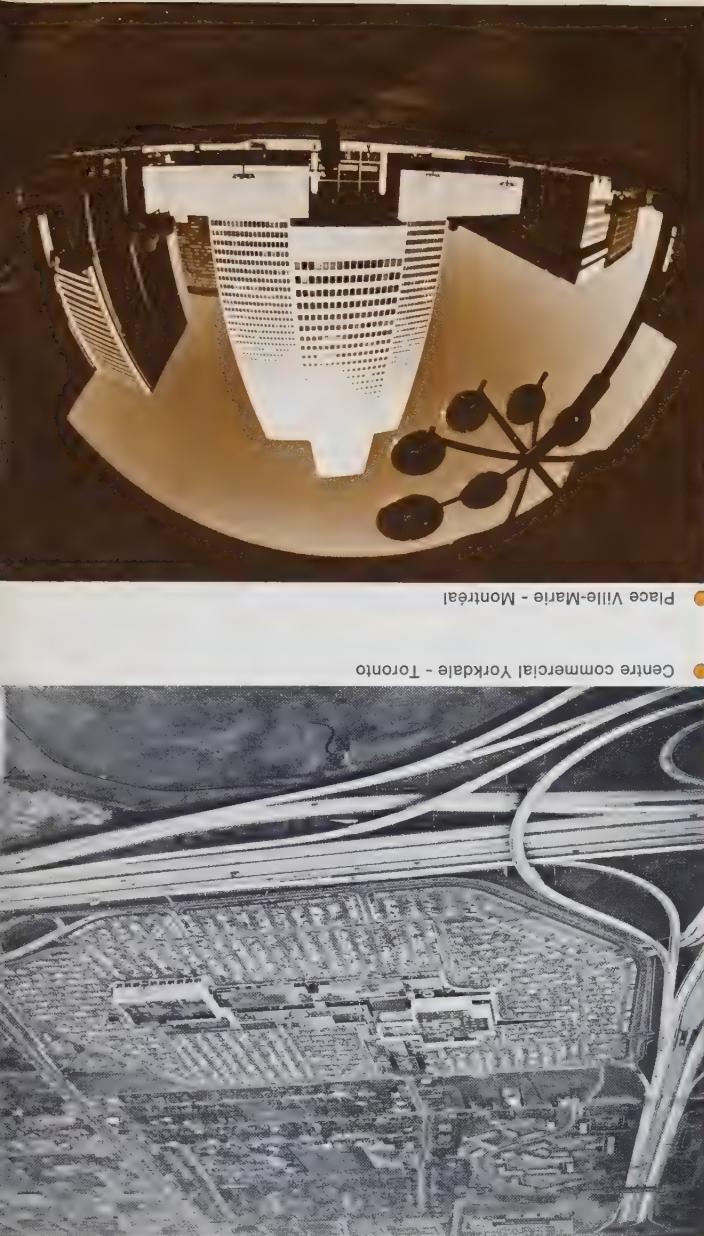
Centre urbain de Scarborough

Modèle schématique du

Centre urbain de Scarborough

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Le bénéfice par action a été calculé en prenant comme base la moyenne des actions en circulation durant l'exercice.



F A I T S S A I L L A N T S D E 1969		
1969	1968	
Benefice, compte non tenu d'un poste extraordinaire \$ 2,026,000	\$ 1,122,000	Benefice net \$ 2,732,000
Benefice par action, compte non tenu d'un poste extraordinaire* 7.1 cents	5.2 cents	Benefice net par action, compte non tenu d'un poste extraordinaire* 9.5 cents
Benefice net par action, poste extraordinaire* 7.1 cents	5.2 cents	Benefice net par action, poste extraordinaire* 9.5 cents
Revenu brut \$ 37,774,000	\$ 27,982,000	Revenu brut \$ 253,707,000
Actif total \$ 253,707,000	\$ 240,658,000	Actif total \$ 28,780,000
Avoir des actionnaires \$ 26,048,000		Avoir des actionnaires \$ 28,780,000
Actions en circulation au 31 décembre 28,720,000	28,720,000	Actions en circulation au 31 décembre 28,720,000
Myenne des actions en circulation en exercice 28,720,000	21,480,000	Myenne des actions en circulation en exercice 28,720,000
Nombre d'actionnaires 3,163	3,163	Nombre d'actionnaires 3,163

Centre commercial Yorkdale - Toronto

Place Ville-Marie - Montréal

Actions en circulation au 31 décembre

Myenne des actions en circulation en exercice

Nombre d'actionnaires

Le bénéfice par action a été calculé en prenant comme base la moyenne des actions en circulation durant l'exercice.

1969

RAPPORTE
ANNUEL

TRIZEC CORPORATION LTD.

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

AR33

Trizec Corporation Ltd.

3,500,000 Common Shares (without par value)

The 3,500,000 common shares offered by this prospectus are authorized but unissued shares being acquired from the Company.

At the present time the common shares of the Company have a limited over the counter market. The price for this offering was determined by negotiation between the Company and the Underwriters.

Applications have been made to list these shares on the Toronto and Montreal Stock Exchanges. Acceptance of the listings will be subject to the filing of required documents and evidence of satisfactory distribution both within a period of ninety days.

Price: \$1.65 per share

	<u>Price to public</u>	<u>Underwriting discount</u>	<u>Proceeds to Company*</u>
Per Share.....	\$1.65	\$0.132	\$1.518
Total.....	\$5,775,000	\$462,000	\$5,313,000

*Before deduction of expenses payable by the Company estimated not to exceed \$35,000

These securities are considered as speculative

We, as principals, offer these common shares subject to prior sale, if, as and when delivered and accepted by us. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

It is expected that share certificates in definitive form will be available for delivery on or about June 7, 1968.

Greenshields Incorporated

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TRIZEC CORPORATION LTD.

Trizec Corporation Ltd. (herein referred to as "Trizec") was incorporated under the laws of Canada by Letters Patent dated October 5, 1960. The Letters Patent have been amended from time to time by Supplementary Letters Patent, including Supplementary Letters Patent dated April 26, 1968 converting the 19,220,000 issued common shares and 10,780,000 unissued common shares of \$1.00 par value into shares without par value; cancelling paid up capital of Trizec to the extent of \$11,775,000; and increasing the amount for which the 10,780,000 unissued shares without par value may be issued from \$10,780,000 to \$22,555,000.

The head and principal office of Trizec is located at Place Ville Marie, Montreal, Quebec.

Trizec and its subsidiaries are engaged in real estate development, investment and management. A subsidiary, Place Ville Marie Corporation, owns Place Ville Marie, an integrated office and shopping complex in the heart of Montreal. A subsidiary, Triton Centres Limited, owns and operates major regional shopping centres in Toronto, Halifax and Vancouver, as well as an office building in Montreal. Other subsidiaries own office buildings and are developing apartment buildings. TriNational Building Services Ltd., a 50% owned affiliate, is engaged in building cleaning and maintenance.

USE OF PROCEEDS

The proceeds, amounting to \$5,313,000, to be derived by Trizec from the sale of the 3,500,000 shares without par value offered by this prospectus will, after deducting expenses of issue estimated not to exceed \$35,000, be loaned to Place Ville Marie Corporation which will employ such funds to reduce bank indebtedness incurred to finance the capital cost of its assets.

CONSOLIDATED CAPITALIZATION

	<u>Outstanding at December 31, 1967</u>	<u>Outstanding at March 31, 1968</u>	<u>Outstanding at March 31, 1968 As Adjusted *</u>
—————(in thousands of dollars)—————			
Bank Loans (Secured)			
Trizec Corporation Ltd.			
7 1/4% due July 15, 1968 (1) (2).....	3,741	3,741	—
7% due on demand.....	140	140	140
Place Ville Marie Corporation			
7 1/2% due October 31, 1969 (1).....	25,765	25,765	20,487
6 1/2% due January 2, 1968.....	400	—	—
7 1/2% due March 3, 1969 (1).....	—	864	864
Triton Shopping Centres Limited			
7% due October 20, 1969 (1) (3).....	10,455	10,455	10,455
	<u>40,501</u>	<u>40,965</u>	<u>31,946</u>
First Mortgage Bonds			
Place Ville Marie Corporation			
7% due December 1, 1993.....	23,704	23,534	23,534
6 1/2% due December 1, 1993 (1).....	26,090	25,814	25,814
6 1/2% due December 1, 1993.....	9,848	9,768	9,768
7 5/8% due December 1, 1993 (2).....	—	—	4,000
Triton Centres Limited			
6 3/8% due March 1, 1990.....	17,650	17,650	17,650
6 3/8% due June 15, 1990.....	6,466	6,466	6,466
6 1/2% due June 1, 1990.....	6,045	6,045	6,045
	<u>89,803</u>	<u>89,277</u>	<u>93,277</u>

* Giving effect to transactions described or referred to in the head note to the pro forma balance sheet contained herein.

	<u>Outstanding at December 31, 1967</u>	<u>Outstanding at March 31, 1968</u>	<u>Outstanding at March 31, 1968 As Adjusted *</u>
(in thousands of dollars)			
First and Second Mortgages (3)			
Triton Centres Limited			
7% First Mortgage due September 1, 1995...	6,917	6,907	6,907
6% First Mortgage to February 1, 1968 but extended at 7% to February 1, 1969	150	150	150
9% Second Mortgage due July 8, 1968 but extended at 10½% to July 8, 1969	3,250	3,250	3,250
	<u>10,317</u>	<u>10,307</u>	<u>10,307</u>
Debentures (4)			
Place Ville Marie Corporation			
6½% due August 1, 1968.....	11	10	10
7¼% due May 1, 1988.....	20,875	20,875	20,875
Triton Shopping Centres Limited (3)			
7¼% due August 1, 1986 (1).....	206	206	206
	<u>21,092</u>	<u>21,091</u>	<u>21,091</u>
Other Indebtedness.....	<u>2,732</u>	<u>3,666</u>	<u>3,666</u>
Minority Interest in a Subsidiary Company (5).....	<u>192</u>	<u>192</u>	<u>192</u>
Capital Stock			
Common shares of \$1.00 par value			
Authorized: \$30,000,000			
30,000,000 shs.			
Issued:.....	19,220	19,220	—
	(19,220,000 shs.) (19,220,000 shs.)		
Shares without par value (4)			
Authorized: \$30,000,000			
30,000,000 shs.			
Issued:.....	—	—	12,758
	— (22,720,000 shs.)		
Contributed Surplus.....	780	780	780

*Giving effect to transactions described or referred to in the head note to the pro forma balance sheet contained herein.

NOTES:

- (1) Payable in United States Funds. See Note 2 to the consolidated financial statements appearing elsewhere in this prospectus for treatment of foreign exchange in respect of liabilities outstanding at December 31, 1967. United States Funds liabilities incurred subsequently have been converted to Canadian Funds at a premium of 8% for United States Funds.
- (2) Effective April 2, 1968 Place Ville Marie Corporation issued \$4,000,000 7½% First Mortgage Bonds due December 1, 1993, the proceeds of which were used to the extent of \$3,741,125 to reduce consolidated bank indebtedness and the balance was added to working funds. Place Ville Marie Corporation has arranged subject to certain conditions to issue to the holder of its first mortgage bonds a further \$6,000,000 of the 7½% First Mortgage Bonds.
- (3) Mortgages without interest in the amount of \$23,850,000 United States Funds and \$5,000,000 Canadian Funds have been created by Place Ville Marie Corporation as collateral for secured bank loans and performance guarantees. Debentures without interest in the amount of \$15,000,000 United States Funds have been issued by Triton Shopping Centres Limited as collateral for secured bank loans. A subsidiary of Immobilia Inc. expects to borrow by July 1, 1969 under a construction financing arrangement \$4,000,000, which loan will bear interest at 7¼% per annum, will mature on July 1, 1999, and will be secured by a first mortgage.
- (4) On May 1, 1968 Trizec issued \$10,000,000 principal amount of 7% Convertible Debentures due December 31, 1993 in exchange for an equal principal amount of outstanding 7¼% Debentures due May 1, 1988 of Place Ville Marie Corporation held by two principal shareholders of Trizec. The 7% Convertible Debentures are convertible into Trizec common shares at \$2.50 per share after December 31, 1975 and on or before December 31, 1980. 4,000,000 common shares have been reserved for such purpose.
- (5) The minority interest in Immobilia Inc. consists of:—Class A shares \$201,000; common shares \$8,000; deficit \$17,000.

TRIZEC

Trizec was incorporated under the laws of Canada in October 1960 for the purpose of acquiring the Place Ville Marie complex, which was then under construction, and, in addition, to develop and acquire other properties in the major cities of Canada. The principal investments of Trizec and its subsidiaries at this time are Place Ville Marie and 360 St. James Street West in Montreal, and the Yorkdale, Halifax and Brentwood Shopping Centres. As part of its continuing operation Trizec is examining other investment opportunities in real estate and related fields.

The principal shareholders of Trizec are Eagle Star Insurance Company Limited and Covent Canada Corporation Limited. The latter company is a subsidiary of Second Covent Garden Property Company Limited. Eagle Star was incorporated in 1904 in the United Kingdom and transacts all classes of insurance. Second Covent Garden, incorporated in 1933, is engaged in property investment and development and owns stores, apartments, offices and other commercial and industrial properties in the United Kingdom. A third substantial shareholder is The Dominion Investment Company Ltd. Reference is made to "Shareholdings and Management".

PLACE VILLE MARIE

The Place Ville Marie complex, held through a subsidiary, Place Ville Marie Corporation, is Trizec's major income producing asset. Place Ville Marie occupies a 7-acre site in downtown Montreal and is one of the world's largest office, shopping and entertainment complexes. Its elements comprise the 42-storey Royal Bank of Canada Building (the "Cruciform Building"), the IBM, Esso and Greenshields Buildings, the Shopping Promenade and the Plaza, a garage and other facilities. Work on the project commenced in 1958 and the first tenants took occupancy in 1962. The Greenshields Building was added in 1965 and the IBM Building was ready for occupancy by 1966. The working population of the complex is now estimated at 20,000.

The Cruciform Building

The most important single element of Place Ville Marie is the Cruciform Building located on the south-east section of the site. The head office of a Canadian chartered bank is located in the Cruciform Building and its main Montreal branch occupies the major portion of the four quadrants at the base. The remaining floors above the bank's premises are leased to some 100 different concerns including many major Canadian companies as well as government agencies, international trade organizations, legal and accounting firms, and others. The four largest tenants, which are the bank, Aluminum Company of Canada Limited, Air Canada and Montreal Trust Company, occupy almost half the office space under leases with remaining terms ranging from 14 to 88 years.

IBM Building

The 14-storey IBM Building adjacent to Dorchester Boulevard extends 300 feet along the west side of the Plaza and is one of the largest office buildings in Montreal, containing approximately 400,000 sq. ft. of rentable area. The main lobby of the building opens on the Plaza and Mansfield Street. A lower lobby connects the IBM Building with the main Shopping Promenade. Principal tenants of this building are The International Business Machines Company Limited, Trust Général du Canada and the International Air Transport Association.

Esso and Greenshields Buildings

These four-storey buildings are situated on the north side of the Plaza. Three additional floors are currently under construction on both buildings and will add approximately 130,000 sq. ft. of office space to the complex. These additions constitute the final elements of the original concept of the development.

Shopping Promenade and the Plaza

The Shopping Promenade has street level access from Cathcart Street to the north and Mansfield Street to the west and is connected to all four buildings of the complex either by escalators, elevators or stairs. Natural light is provided to the shopping areas and restaurants by four large stairwells which are an important architectural feature of the Plaza. Bordering the pedestrian avenues of the Shopping Promenade are some 70 retail outlets, 8 restaurants and 3 theatres. Located at the hub of Montreal's retail concentration, the Shopping Promenade has been favourably received, its available space being fully leased soon after opening.

Corridors leading through the Shopping Promenade are linked to other major buildings in the downtown area with the result that Place Ville Marie is connected to a total of close to 5,000,000 sq. ft. of office space, more than 200 retail outlets, 2000 hotel rooms, the CNR and CPR stations and the Metro.

The 90,000 sq. ft. Plaza above the Shopping Promenade, readily accessible from the four bordering streets, is used for civic and cultural events.

Rental Basis

Tenants of the office space pay basic rental at a fixed rate. In addition, leases provide for the tenant to pay increases in real property taxes and operating expenses in proportion to the area they occupy. This is designed to ensure that Place Ville Marie Corporation's earnings are not prejudicially affected by future increases in these costs. The rental rates per square foot currently being negotiated on renewal leases have increased materially over the equivalent 1962 rates and demand for space in Place Ville Marie continues to be strong.

Rental rates to tenants occupying retail space are generally based upon a fixed minimum rent and a stated percentage of the gross sales attributable to the leased premises after deducting minimum rent. These percentages range from 2% to 12%. In addition, certain leases which are not yet subject to percentage rent provide for the commencement of such rent in 1969. Through its percentage participation in tenants' sales Place Ville Marie Corporation has a direct interest in the success of the Shopping Promenade.

Occupancy Level

As an indication of the acceptance of Place Ville Marie, the complex's occupancy rate at April 1, 1968 was over 98 per cent of the total rentable area.

A breakdown of specific occupancy levels is as follows:

	Total Rentable Area	Percentage Occupied
The Cruciform Building.....	1,448,760 sq. ft.	99.61%
Esso, Greenshields and IBM Buildings (existing office floors).....	521,601 sq. ft.	95.97%
Shopping Promenade.....	174,851 sq. ft.	99.93%
Plaza level space and Banking Halls.....	181,084 sq. ft.	95.76%
Garage and lower levels.....	475,542 sq. ft.	95.99%
Total.....	2,801,838 sq. ft.	98.09%

The gross income from property operations of the Place Ville Marie complex amounted to \$16,792,000 for the year ended December 31, 1967.

Emphyteutic Lease*

The Place Ville Marie complex is held by Place Ville Marie Corporation under an Emphyteutic Lease from Canadian National Railway Company ("CNR") terminating December 31, 2056.

The annual rent payable by Place Ville Marie Corporation comprises a Basic Rent and a Supplementary Rent of 10% of the net profit (as defined in the Emphyteutic Lease) of Place Ville Marie Corporation from its operation of the development under the Emphyteutic Lease. The definition of net profits is on a substantially conventional basis, except that such net profit does not include any income or gain derived from a sale, assignment or transfer of the development, and there shall be deducted in the computation of net profits net losses for previous years amortized and computed over a ten-year period, capital cost allowances on a straight line basis at between 50% and 100% of the relevant rates applicable under the Income Tax Act of Canada for 1955, and deemed interest (regardless of the amount actually paid or accrued) based on the first mortgage rate of interest on the unamortized capital costs of the development. The Basic Rent which would otherwise have been payable under the Emphyteutic Lease of \$217,789 has been reduced to \$1.00 per year and in compensation therefor the annual rental for garage premises otherwise payable by CNR has been reduced by \$253,308 being the actuarial equivalent of \$217,789 calculated over the term of the rental period.

The Emphyteutic Lease contains provisions defining the respective rights of the parties in the development and ensuring to CNR the continued right to use the sub-surface area beneath the complex for its railroad operations.

*An Emphyteutic Lease is a contract under the law of Quebec by which the proprietor of an immoveable conveys it for an agreed term of more than nine but not more than 99 years to another who undertakes to pay an annual rent and to make improvements which revert to the proprietor upon termination of the lease.

Certain actions of Trizec and Place Ville Marie Corporation, such as sale of the shares of Place Ville Marie Corporation or sale of the complex, mortgaging thereof and similar matters, although not covered directly in the Emphyteutic Lease, are effectively subject to the consent or first refusal of CNR, pursuant to a Voting Agreement on certain voting preferred shares of Place Ville Marie Corporation, with CNR's affirmative vote required except under certain defined and limited circumstances.

Subject to the terms and conditions of the Emphyteutic Lease and the Voting Agreement and the restrictions therein contained, Place Ville Marie Corporation has, in effect, all of the rights of an owner in respect of the premises leased to it pursuant to the Emphyteutic Lease. The title of Place Ville Marie Corporation to the premises and to all improvements will terminate upon expiry of the lease on December 31, 2056.

THE SHOPPING CENTRES

The principal interests of Triton Centres Limited, a wholly-owned subsidiary of Trizec, are three regional shopping centres, completed between 1961 and 1964: Yorkdale Shopping Centre in Metropolitan Toronto, Ontario; Halifax Shopping Centre in Halifax, Nova Scotia; and Brentwood Shopping Centre in Greater Vancouver, B.C.

The Yorkdale Shopping Centre, constructed on a 74-acre site in the north central area of Metropolitan Toronto, is one of the largest enclosed-mall shopping centres in North America. The Centre is designed around air-conditioned malls which connect the three principal stores, namely Eatons, Simpsons (which owns its own store and 22 acres of the site) and a Dominion Stores supermarket. The Centre contains 87 stores and 11 sales kiosks, together with supporting restaurants and theatres.

Halifax Shopping Centre is the largest shopping centre in the Maritime Provinces. The 22-acre site is well served by convenient access from all sections of Halifax. Like Yorkdale, it has an enclosed mall and Eatons as the principal tenant. There are 44 additional retail stores with an excellent representation of major Canadian retailers.

Brentwood Shopping Centre is in the Vancouver suburb of Burnaby and is well located to serve the entire Vancouver market area. The L-shaped centre occupies 28 acres and has 49 stores with Eatons as the major tenant. In addition, 5 acres of land immediately adjacent to the centre are held for future development.

Of the total rentable area of 1,605,422 sq. ft. within the three centres, The T. Eaton Company Limited has leased 43%. The Eatons leases have, in each case, an original term of 100 years with the tenant having cancellation rights at the expiration of 30 or 35 years and at intervals thereafter.

The merchandising plans now in effect for these centres were designed to meet the requirements of the various market areas which they serve. In establishing these plans, the importance of shopping centres in suburban areas for other than purely shopping needs was also taken into consideration and appropriate provision was made for theatres and other recreational and civic activities as well as office space. The community acceptance of the shopping centres is evidenced by their occupancy levels as shown on the accompanying table.

Occupancy Level (at April 1, 1968)

<u>Shopping Centre</u>	<u>Total Rentable Area</u>	<u>% Occupied</u>
Yorkdale	844,658 sq. ft.*	98.69%
Halifax	383,030 sq. ft.	97.85%
Brentwood	377,734 sq. ft.	96.43%
Total	1,605,422 sq. ft.	97.96%

*Excluding Simpsons' premises

The gross income from property operations for the year ended December 31, 1967 was as follows:— Yorkdale Shopping Centre \$3,385,000; Halifax Shopping Centre \$1,169,000; Brentwood Shopping Centre \$924,000.

Rental Basis

Apart from The T. Eaton Company Limited and certain tenants subject to government restriction, all retail sales tenants pay rental based upon a percentage of their gross retail sales with a fixed minimum rent being applicable in almost all leases. In most cases, the leases require the tenants to contribute to common area maintenance expense and to bear an appropriate share of any increase in real property taxes. These features are designed to ensure that the centres will share in the growth and prosperity of the regional economy while being protected against increased real estate taxes and maintenance costs.

Development

An important potential asset is the additional revenue capable of being realized by full utilization of the shopping centre lands. The major portion of these lands is at present committed to parking and used to full capacity on only a few days in each year. The development potential of the air rights alone is extremely significant in the sense that additional construction will bring increased shopping population and will also be virtually free of attributed land cost. However, the right to develop these lands further is subject to contractual restrictions in favour of various merchants in the shopping centres, primarily The T. Eaton Company Limited.

Trizec has been retained to act as consultant in the planning and development of a 170 acre site known as Scarborough Town Centre in Metropolitan Toronto. Subject to the necessary municipal and other approvals, the project will include a major regional shopping centre in which Trizec will have an equity interest.

OTHER PROPERTY

Triton Centres Limited owns the 315,000 sq. ft. 360 St. James Street West building in Montreal. The underlying land is held under a lease terminating in 2061. This 23 storey building in the historic financial district of Montreal was formerly owned by the present Place Ville Marie bank tenant which continues to operate an important branch there. 360 St. James Street was acquired in connection with the leasing of a portion of the Cruciform Building at Place Ville Marie to that tenant.

Occupancy of 360 St. James Street has been adversely affected by the relocation of a number of major tenants and the movement of the commercial centre to the area surrounding Place Ville Marie. However, demand for space is expected to improve as development of a government and municipal area progresses nearby. 360 St. James Street, which now has some 80 tenants, has been maintained as a prime quality office building and has recently been improved through the installation of central air-conditioning and high speed elevators.

The gross income from property operations of 360 St. James Street for the year ended December 31, 1967 was \$1,905,000.

A Triton Centres Limited subsidiary, Brentwood-Triton Ltd., owns a 54,000 sq. ft. office building (the IPEC Building) in Vancouver, which is leased to a single tenant until March 1976 with satisfactory provision having been made against increases in property taxes and operating expenses. The gross income from property operations of the IPEC Building for the year ended December 31, 1967 was \$209,000.

Trizec holds, through Inverness Investment Company, a wholly-owned subsidiary, a lot awaiting development on the southeast corner of Dorchester and Mountain Streets in downtown Montreal. The gross revenue from this property for the year ended December 31, 1967 was \$16,000. Ivernia Investment Co. Ltd., another wholly-owned subsidiary of Trizec, was formed in 1962 but is presently inactive.

PARTLY OWNED SUBSIDIARIES AND AFFILIATES

Immobilia Inc.

Trizec owns 75% of the common shares and 49.7% of the Class A non-voting participating shares of Immobilia Inc. which owns and manages a prime quality office building containing 90,000 sq. ft. of space on land held under emphyteutic lease in suburban Montreal. This building is now fully leased and provision is made in the leases against increased property taxes and operating expenses.

Immobilia Inc. has two subsidiaries, Immobilia Apartments Ltd. and Immobilia Builders Inc. The former acts as a financing vehicle for the latter which presently has under construction 337 apartments and town-houses in a Montreal suburb. Trizec will, in addition to its existing investment in Immobilia Inc., acquire a direct 50% interest in this residential development during 1969. The first dwellings will be available for occupancy in May 1968 and leasing results so far have been encouraging.

TriNational Building Services Ltd.

TriNational Building Services Ltd. was incorporated in 1967 as a joint venture of Trizec and Kinney National Service Inc. of New York, each owning 50 per cent of the equity. Kinney National is one of the largest building maintenance companies in the United States. TriNational furnishes maintenance services in Place Ville Marie and 360 St. James Street and has recently entered into a contract to provide similar services for another large Montreal office building. It is intended to expand the operations of this Company across Canada by drawing on the experience of Kinney National in the United States and the Trizec operations in Canada.

SINKING FUND REQUIREMENTS AND DEBT MATURITY

The Company anticipates that cash generated as the result of its operations will be sufficient to meet sinking fund requirements and other instalments of principal on its long term debt as such fall due. The Company expects in the normal course to extend the maturity of its bank loans as such loans fall due except such loans as may be refunded by the issuance of long term debt.

SHAREHOLDINGS AND MANAGEMENT

The following table sets forth the ownership beneficially and of record of each person or company owning of record, or to the knowledge of Trizec beneficially, directly or indirectly, more than 10% of its equity shares as at March 31, 1968.

<u>Name and Address</u>	<u>Designation of class</u>	<u>Type of ownership</u>	<u>Number of shares owned</u>	<u>Percentage of class</u>
Eagle Star Insurance Company Limited 1 Threadneedle Street, London, England	Common Shares	Beneficial(a)	7,916,860	41.19%
Covent Canada Corporation Limited(b) 1 Place Ville Marie, Montreal, Quebec	Common Shares	Beneficial(a)	6,917,416	35.99%
The Dominion Investment Company Ltd. 1 Place Ville Marie, Montreal, Quebec	Common Shares	Record and Beneficial	3,000,000	15.61%

(a) Held through bank nominees.

(b) Covent Canada Corporation Limited is a wholly-owned subsidiary of Covent North American Properties Limited which also beneficially owns 3.51% (674,445 shs.) of the common shares of Trizec. Covent North American Properties Limited is in turn a wholly-owned subsidiary of Second Covent Garden Property Company Limited of whose voting shares Eagle Star Insurance Company Limited owns approximately 18.2%.

Giving effect to the issue of the 3,500,000 common shares offered by this prospectus the percentage ownerships indicated above will be reduced to the following: Eagle Star Insurance Company Limited (34.8%); Covent Canada Corporation Limited (30.4%); The Dominion Investment Company Ltd. (13.2%).

The partners of the firm, acting as legal counsel for Trizec identified on page 13, and whose opinions on lawsuits are referred to on page 13, beneficially owned, directly or indirectly, in the aggregate 35,680 common shares of Trizec. The Honourable Lazarus Phillips, Q.C., is a partner of that firm and a director of Trizec.

The following table sets forth the beneficial ownership of each class of equity shares of Trizec outstanding owned either directly or indirectly by all directors and senior officers of Trizec as a group as at March 31, 1968.

<u>Designation of Class</u>	<u>Number of Shares beneficially owned</u>	<u>Percentage of Class</u>
Common shares without par value.....	379,996	2.0%

Directors and Officers of Trizec

The names, home addresses, positions held with Trizec, and principal occupations of the directors and officers are set forth below.

FRANK BREADIN COMMON, JR., Q.C. Director Lawyer,
157 Edgehill Road, Ogilvy, Cope, Porteous,
Westmount, Quebec Hansard, Marler,
Montgomery & Renault

EDMOND JACQUES COURTOIS, Q.C.	Director	Lawyer, Smith, Davis, Anglin, Laing, Weldon & Courtois
9 Chelsea Place, Montreal, Quebec		
FRANK MANNING COVERT, Q.C.	Director	Lawyer, Stewart, MacKeen & Covert
1959 Parkwood Terrace, Halifax, Nova Scotia		
HARRY JOHN AUSTIN HARBOUR	Director	Joint General Manager, Eagle Star Insurance Company Limited
20 Manor House, Marylebone Road, London, N.W. 1, England		
WILLIAM HAY	Director and Vice President	Vice President, Trizec Corporation Ltd.
580 Carlyle Avenue, Town of Mount Royal, Quebec		
JOHN MAX KEYWORTH	Director	Managing Director, Second Covent Garden Property Company Limited
8 Twineham Green, Woodside Park, London, N.12, England		
HENRY RODERICK MOORE	Director	Merchant Banker, Hill, Samuel & Co. Limited
31 Princes Gate Court, London, S.W. 7, England		
PETER ROBIN KIRWAN-TAYLOR	Director and Vice President	Executive Vice President, Hill, Samuel Inc.
16 Eaton Terrace, London, S.W. 1, England		
SIR BRIAN EDWARD STANLEY MOUNTAIN, Bt.	Director and Chairman	Chairman, Eagle Star Insurance Company Limited
75 Eaton Square, London, S.W. 1, England		
THE HON. LAZARUS PHILLIPS, O.B.E., Q.C.	Director	Lawyer, Phillips, Vineberg, Goodman, Phillips & Rothman
48 Belvedere Place, Westmount, Quebec		
DAVID GOODWIN PHILPOTT	Director and Vice President	President, Triton Centres Limited
1312 Woodeden Drive, Port Credit, Ontario		
JAMES ARTHUR SODEN	Director and President	President, Trizec Corporation Ltd.
3559 Northcliffe Avenue, Montreal, Quebec		
HENRY McAUSLANE	Vice President	Executive Vice President, Place Ville Marie Corporation
261 Touzin Avenue, Dorval, Quebec		
CHARLES TURNER MACKENZIE	Vice President	Vice President, Trizec Corporation Ltd.
5 Rockledge Court, 4065 Cote des Neiges, Montreal, Quebec		
DONALD MAYLOR REID	Treasurer	Treasurer, Trizec Corporation Ltd.
451 Greenwood Drive, Beaconsfield, Quebec		
EDWIN JOHN JAMES KAVANAGH	Assistant Vice President	Vice President, Place Ville Marie Corporation
88 Victoria Drive, Baie d'Urfe, Quebec		

JOSEPH HENRY PORTEOUS Secretary Lawyer
3460 Simpson Street,
Montreal, Quebec

CATRINUS RENEMA Comptroller Comptroller,
80 8th Avenue,
Roxboro, Quebec Trizec Corporation Ltd.

The only directors and officers of Trizec who have not held their present business affiliations for the past five years are as follows:

Mr. Hay served as Vice-President of Trizec and Webb & Knapp (Canada) Limited to August 1964, when he relinquished his Trizec position, which he reassumed in January 1965.

Mr. MacKenzie was Divisional Research and Development Manager of The T. Eaton Company Limited prior to his employment by Trizec in February 1967.

Mr. Reid was Secretary-Treasurer, Industrial Realty Corporation, prior to joining Trizec in March 1968.

Mr. Kavanagh was Staff Engineer and Company Officer of Sun Life Assurance Company of Canada prior to his employment by Trizec in January 1965.

Mr. Renema was Chief Accountant of a Canadian chartered bank before joining Trizec as Comptroller in May 1966.

Remuneration

The By-laws of Trizec provide that the remuneration of its directors shall from time to time be determined by resolution of the directors.

The aggregate direct remuneration paid and payable to directors of Trizec, as such, during the last financial year ended December 31, 1967, was \$13,350, and during the three months ended March 31, 1968 was \$3,375. It is estimated that such remuneration during the current financial year will be approximately \$13,500. The aggregate direct remuneration paid and payable to senior officers of Trizec, as such, during the last financial year ended December 31, 1967 was \$249,140 and during the three months ended March 31, 1968 was \$70,717. It is estimated that such remuneration during the current fiscal year will be approximately \$255,000.

The estimated aggregate cost to Trizec in the last completed financial year of all pension or retirement benefits proposed to be paid, directly or indirectly, by Trizec to its directors and senior officers under its existing pension plan in the event of retirement at normal retirement age, is \$1,811.

None of the subsidiaries of Trizec has paid any amount in respect of remuneration or pension or retirement benefits to directors and senior officers.

Management Interest

Eagle Star Insurance Company Limited has guaranteed and continues to guarantee certain bank indebtedness of Trizec. During the years 1965 to 1967 inclusive the principal amount guaranteed was approximately \$29,700,000 and the annual fee paid to Eagle Star Insurance Company Limited for such guarantee was approximately \$210,000. It is estimated that the fee payable during the current year for a similar guarantee will be \$160,000 and that the principal amount guaranteed will be reduced to \$20,487,453 by application of the proceeds of the issue and other repayments subsequent to March 31, 1968. Sir Brian Mountain is an officer and director, and H. J. A. Harbour is an officer, of Eagle Star Insurance Company Limited. Both are directors of Trizec. Sir Brian Mountain and E. J. Courtois are directors of the bank whose loan, guaranteed by Eagle Star Insurance Company Limited, is to be reduced out of the proceeds of the issue.

Eagle Star Insurance Company Limited and Covent Canada Corporation Limited are substantial shareholders of Trizec and also parties to the Debenture Exchange Agreement referred to under "Convertible Debentures". H. R. Moore, F. B. Common Jr., P. R. Kirwan-Taylor and J. A. Soden are officers and directors and William Hay is an officer of Covent Canada Corporation Limited. They are also directors of Trizec. Similarly, Sir Brian Mountain is an officer and director, and H. J. A. Harbour is an officer, of Eagle Star Insurance Company Limited as well as being directors of Trizec. Therefore they all have an interest in such agreement.

The IPEC Building referred to under the heading "Other Property" was acquired at a cost of \$1,150,000 from Canbritam Development Corporation Limited, Suite 3000, Toronto Dominion Centre, Toronto. J. M. Keyworth, a director of Trizec, was and is a director of Canbritam Development Corporation Limited of which company 5% of the common shares, 50% of the Class "A" Shares and 50% of the Class "B" Shares are owned by Eagle Star Insurance Company Limited, and 33.3% of the common shares, 50% of the Class "A" Shares and 50% of the Class "B" Shares are owned by Covent Canada Corporation Limited.

H. R. Moore and P. R. Kirwan-Taylor are directors of Trizec and are also officers and directors of Hill, Samuel & Co. Limited and as such have an interest in the Underwriting Agreement referred to herein.

DETAILS OF THE OFFERING

Description of Common Shares

The capital stock of Trizec consists of the shares without par value of the class being offered by this prospectus. These common shares are entitled to dividends as and when declared by the Board of Directors; are entitled to one vote per share; have no pre-emptive or conversion rights; and are entitled, upon liquidation to receive *pro rata* such assets of Trizec as are distributable to holders of the common shares. Outstanding common shares are, and the common shares hereby offered will be, fully paid and non-assessable.

Non-Cumulative Voting

The holders of common shares have non-cumulative voting rights, which means that the holders of more than 50% of the common shares voting for the election of directors can elect all of the directors if they so choose and, in such event, the holders of the remaining less than 50% of the common shares voting for the election of directors will not be able to elect any directors to the Board of Directors.

Underwriting

Trizec, under date of May 22, 1968, entered into an agreement (the "Underwriting Agreement") at Montreal, Quebec with Greenshields Incorporated, Dominion Securities Corporation Limited and Hill, Samuel & Co. Limited, (the "Underwriters"), whereunder Trizec agreed to sell and the Underwriters severally agreed to purchase in the proportion of 60%, 30% and 10% respectively, the 3,500,000 common shares offered by this prospectus at a price of \$1.518 a share payable in cash against delivery of the share certificates at a closing to be held on June 7, 1968. Hill, Samuel & Co. Limited have agreed to re-sell 5.1% of the underwritten shares to Greenshields Incorporated and these shares together with those to be acquired by the Canadian underwriters will be offered to the public by a group of investment dealers of which Greenshields Incorporated will be manager.

Hill, Samuel & Co. Limited are not Canadian underwriters, are not dealing with the public in Canada and the 4.9% of the underwritten shares retained by them will not be offered to the public in Canada during the period of primary distribution of the shares hereby offered.

CONVERTIBLE DEBENTURES

On May 1, 1968 Trizec issued \$10,000,000 principal amount of 7% convertible debentures (herein called the "Convertible Debentures") under an agreement (herein called the "Trust Agreement") between Trizec and Montreal Trust Company, as Trustee, dated May 1, 1968. The Convertible Debentures are dated May 1, 1968, will mature on December 31, 1993 and are direct obligations of Trizec but are not secured by any charge on the assets of Trizec.

Each Convertible Debenture will be convertible at the holder's option at any time between December 31, 1975 and the close of business on December 31, 1980 into fully paid common shares without par value of Trizec as presently constituted on the basis of 400 of the said common shares for each \$1,000 principal amount of Convertible Debentures, or \$2.50 per share. The Trust Agreement contains provisions designed to protect the holders of the Convertible Debentures against dilution of their conversion rights in the event of any subdivision, consolidation or reclassification of the common shares of Trizec and in certain other events.

Trizec will provide a sinking fund for the Convertible Debentures by covenanting to retire, in approximately equal amounts on November 1 in each of the years 1981 to 1992 inclusive, a total of approximately 50% of the aggregate principal amount of the Convertible Debentures outstanding on October 1, 1981. The Convertible Debentures will be redeemable, for sinking fund purposes or for other purposes, in whole at any time

or in part from time to time, at the option of Trizec, on not less than 30 days' notice, at their principal amount plus, in each case, interest accrued and unpaid to the date fixed for redemption but will not be redeemable before December 31, 1978.

Pursuant to a Debenture Exchange Agreement dated April 15, 1968 Trizec issued the Convertible Debentures referred to above, \$5,000,000 to Eagle Star Insurance Company Limited and \$5,000,000 to Covent Canada Corporation Limited on May 1, 1968 in exchange for like principal amounts of the presently outstanding 7½% redeemable secured sinking fund debentures of Place Ville Marie Corporation due May 1, 1988.

MATERIAL CONTRACTS

Within the last three years Trizec has entered into the following contracts in addition to contracts in the ordinary course of business.

1. The Underwriting Agreement referred to under "Underwriting".
2. The Debenture Exchange Agreement referred to under "Convertible Debentures".

Copies of the foregoing contracts and of the agreements relating to the consolidated long term debt of Trizec may be inspected at the head office of Trizec Corporation Ltd., Place Ville Marie, Montreal, Quebec, during ordinary business hours during the course of primary distribution of the common shares offered hereby and for a period of 30 days thereafter.

PENDING LEGAL PROCEEDINGS AND CLAIMS

Dorchester University Holdings Limited commenced proceedings against Place Ville Marie Corporation on February 15, 1966 in the Superior Court for the District of Montreal claiming \$896,500 plus interest in respect of damage alleged to have been caused by Place Ville Marie Corporation to a building owned by the Plaintiff. In the opinion of counsel, the liability, if any, is fully covered by insurance and the insurers are defending the action.

Proceedings were instituted in the Superior Court of Montreal on February 1, 1968 against Place Ville Marie Corporation by Foundation Company of Canada Ltd. claiming \$557,099 plus interest for fees and additional remuneration under the original contract relating to the construction of Place Ville Marie. The action in the opinion of counsel for Place Ville Marie Corporation is substantially ill founded and is being contested.

Claims have been entered with Place Ville Marie Corporation's architects by Foundation Company of Canada Ltd., for payments relating to the construction of the IBM Building. These claims have been rejected by the architects and are disputed by Place Ville Marie Corporation. In the opinion of management sufficient provision has been made in the accounts of Place Ville Marie Corporation for any adjustment which may result from such claims.

There are other claims against Trizec and its subsidiaries and contestations of real estate taxes and assessments, some for substantial amounts, but all are considered to be in the ordinary course of the companies' business and the net liabilities are adequately provided for in their accounts.

DIVIDENDS

There are no present restrictions on the payment of dividends on the common shares of the Company. Since its incorporation the Company has not paid any dividends nor is it contemplated that dividends will be paid in the near future. The payment of dividends will be determined by the Board on the basis of earnings, financial requirements and other relevant factors.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of Trizec's common shares is Montreal Trust Company at Halifax, Montreal, Toronto, Winnipeg, Calgary and Vancouver.

AUDITORS

Trizec's auditors are McDonald, Currie & Co., Chartered Accountants, 630 Dorchester Boulevard West, Montreal, Quebec.

LEGAL OPINIONS

The offering is subject to the approval of all legal matters on behalf of Trizec by Messrs. Phillips, Vineberg, Goodman, Phillips & Rothman, Montreal, and on behalf of the Underwriters by Messrs. Doheny, Day, MacKenzie & Lawrence, Montreal.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Sections 63 and 64 of The Securities Act, 1966 (Ontario), Sections 70 and 71 of The Securities Act, 1967 (Saskatchewan) and Sections 63 and 64 of The Securities Act, 1967 (Alberta), provide, in effect, that where a security is offered to the public in the course of primary distribution:

- (a) a purchaser has the right to withdraw from the contract to purchase such security if written or telegraphic notice evidencing the intention of the purchaser not to be bound by such contract is received by the vendor not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by the purchaser or his agent; and
- (b) a purchaser has the right to rescind the contract to purchase such security by commencing an action within 90 days from the date of such contract or the date on which the prospectus or amended prospectus is received or deemed to be received by the purchaser or his agent, whichever is later, if such prospectus, as of the date of receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made.

Reference is made to the said Acts for the complete text of the provisions under which the foregoing rights are conferred.

Sections 61 and 62 of the Securities Act, 1967 (British Columbia), provide, in effect, that where a security is offered to the public in the course of primary distribution:

- (a) A purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery to either of them of the written confirmation of the sale of the securities. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice; and
- (b) A purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to the said Act of British Columbia for the complete text of the provisions under which the rights of purchasers in British Columbia are conferred.

**Trizec Corporation Ltd.
and Subsidiary Companies**

**CONSOLIDATED BALANCE SHEET AND PRO FORMA BALANCE SHEET
as at December 31, 1967**

The pro forma balance sheet gives effect to the following transactions—

- (1) By supplementary letters patent
 - (a) The conversion of the 19,220,000 issued and 10,780,000 unissued common shares of \$1 par value into shares without par value.
 - (b) The cancellation of the paid-up capital of Trizec Corporation Ltd. to the extent of \$11,775,000.
- (2) The reduction of deficit to the extent of \$11,775,000.
- (3) The issue and sale of 3,500,000 common shares without par value for a cash consideration of \$5,313,000 pursuant to an underwriting agreement dated May 22, 1968.
- (4) The payment of expenses of issue estimated at \$35,000.
- (5) The repayment of \$5,278,000 of secured bank loan due October 31, 1969.
- (6) The four changes in long-term debt which occurred after December 31, 1967 as described in Note 4.

	ASSETS	Balance sheet	Pro forma balance sheet
—(in thousands of dollars)—			
CURRENT ASSETS			
Cash and deposit receipts.....	\$ 1,138	\$ 1,397	\$ 1,397
Accounts receivable.....	3,567	3,567	3,567
Deposits.....	3,633	3,633	3,633
Prepaid expenses.....	1,838	1,838	1,838
	<u>10,176</u>	<u>10,435</u>	<u>10,435</u>
OTHER ASSETS	35	35	35
FIXED ASSETS (Note 3)			
Land.....	6,777	6,777	6,777
Buildings, furniture and equipment (less \$4,847,000 accumulated depreciation).....	160,465	160,465	160,465
Construction in progress.....	1,205	1,205	1,205
	<u>168,447</u>	<u>168,447</u>	<u>168,447</u>
ESTIMATED EXPENSES OF ISSUE	—	35	35
	<u>\$178,658</u>	<u>\$178,952</u>	<u>\$178,952</u>
LIABILITIES			
CURRENT LIABILITIES			
Bank advances.....	\$ 690	\$ 690	\$ 690
Accounts payable and accrued liabilities.....	5,181	5,181	5,181
Holbacks on construction contracts.....	615	615	615
	<u>6,486</u>	<u>6,486</u>	<u>6,486</u>
LONG-TERM DEBT (see statement)			
(including amounts maturing within one year, balance sheet \$8,711,474; pro forma balance sheet \$1,504,349)....	163,755	158,736	158,736
MINORITY INTEREST IN A SUBSIDIARY COMPANY	192	192	192
	<u>170,433</u>	<u>165,414</u>	<u>165,414</u>
CAPITAL STOCK (Note 5)		SHAREHOLDERS' EQUITY	
Authorized—			
30,000,000 common shares of \$1 par value (without par value pro forma)			
Issued and fully paid—			
19,220,000 shares (22,720,000 pro forma).....	19,220	12,758	12,758
CONTRIBUTED SURPLUS (Note 6).....	780	780	780
DEFICIT	20,000	13,538	13,538
	11,775	—	—
	8,225	13,538	13,538
	<u>\$178,658</u>	<u>\$178,952</u>	<u>\$178,952</u>

Approved on behalf of the Board

J. A. SODEN, Director

WILLIAM HAY, Director

**Trizec Corporation Ltd.
and Subsidiary Companies**
CONSOLIDATED STATEMENT OF LONG-TERM DEBT
as at December 31, 1967
(in thousands of dollars)

	Issued as collateral	Total outstanding Balance sheet	Pro forma balance sheet	Maturing within one year	
				Balance sheet	Pro forma balance sheet
MORTGAGES					
6% first mortgage due February 1, 1968 but extended at 7% to February 1, 1969.....		150	150	—	—
9% second mortgage due July 8, 1968 but extended at 10½% to July 8, 1969 (Note 4(b)).....		3,250	3,250	3,250	—
7½% first mortgage due April 1, 1985....	724	724	22	—	22
6¾% first mortgage sinking fund bonds due March 1, 1990.....		17,650	17,650	—	—
6½% first mortgage sinking fund bonds due June 1, 1990.....		6,045	6,045	—	—
6¾% first mortgage sinking fund bonds due June 15, 1990.....		6,466	6,466	—	—
6¾% first mortgage due 1991.....		1,660	1,660	30	30
6½% first mortgage sinking fund bonds due December 1, 1993 (\$24,213 U.S.)		26,090	26,090	518	518
6½% (1966 series) first mortgage sinking fund bonds due December 1, 1993 ..		9,848	9,848	163	163
7% first mortgage sinking fund bonds due December 1, 1993.....		23,704	23,704	346	346
7½% first mortgage sinking fund bonds due December 1, 1993 (Note 4(a))..		—	4,000	—	—
7% first mortgage due September 1, 1995		6,917	6,917	40	40
Other mortgages without interest issued as collateral for loans and performance guarantees (pro forma \$18,963 U.S.; \$5,000 Cdn.).....		<u>\$23,850</u>	<u>\$ 5,000</u>		
SECURED BANK LOANS					
Due October 31, 1969 (\$23,850 U.S.; pro forma \$18,963 U.S.).....		25,765	20,487	—	—
Due July 15, 1968 (\$3,460 U.S.) (Note 4(c)).....		3,741	—	3,741	—
Due October 20, 1969 (\$10,000 U.S.)....		10,455	10,455	—	—
DEBENTURES					
6½% debentures due August 1, 1968....		11	11	11	11
7¼% redeemable debentures due August 1, 1986 Authorized \$25,000 U.S. Issued as collateral for secured bank loan.....		<u>\$15,000</u>	206	206	—
Issued and outstanding (\$199 U.S.).					
7¼% redeemable secured sinking fund debentures due May 1, 1988 Authorized \$50,000 Issued and outstanding (including \$20,654 held by principal shareholders, pro forma \$10,654) (Note 4 (d))		20,875	10,875	530	314
7% convertible debentures due December 31, 1993 (Note 4 (d)) (held by principal shareholders)....		—	10,000	—	—
BALANCE ON PURCHASE PRICE OF LAND					
payable by instalments until May 1, 1971		198	198	60	60
		<u>\$163,755</u>	<u>\$158,736</u>	<u>\$8,711</u>	<u>\$1,504</u>

**Trizec Corporation Ltd.
and Subsidiary Companies**

**CONSOLIDATED STATEMENT OF EARNINGS
for the Five Years ended December 31, 1967**

	(in thousands of dollars)				
	1963 \$	1964 \$	1965 \$	1966 \$	1967 \$
INCOME					
Property operations.....	11,029	14,509	17,232	20,539	24,400
Interest and miscellaneous income..	281	534	512	523	557
	<u>11,310</u>	<u>15,043</u>	<u>17,744</u>	<u>21,062</u>	<u>24,957</u>
EXPENSES					
Operating and rent.....	3,796	4,041	3,804	4,012	4,726
Salaries, general and administrative.	1,957	1,842	1,543	1,948	1,835
Property taxes.....	2,587	2,956	3,076	3,830	5,288
Rental obligations and leasing com- missions.....	1,266	878	569	150	94
Directors fees and salaries.....	—	99	146	181	218
Expenses charged to fixed assets....	<u>(1,884)</u>	<u>(1,080)</u>	<u>(555)</u>	<u>(231)</u>	<u>(176)</u>
	<u>7,722</u>	<u>8,736</u>	<u>8,583</u>	<u>9,890</u>	<u>11,985</u>
OPERATING PROFIT BEFORE INTEREST AND DEPRECIATION.....	3,588	6,307	9,161	11,172	12,972
Interest on long-term debt.....	7,782	8,601	9,981	11,099	11,580
Interest charged to fixed assets.....	<u>(787)</u>	<u>(260)</u>	<u>(267)</u>	<u>(164)</u>	<u>(60)</u>
	<u>6,995</u>	<u>8,341</u>	<u>9,714</u>	<u>10,935</u>	<u>11,520</u>
Depreciation of fixed assets.....	<u>668</u>	<u>860</u>	<u>1,008</u>	<u>1,078</u>	<u>1,195</u>
	<u>7,663</u>	<u>9,201</u>	<u>10,722</u>	<u>12,013</u>	<u>12,715</u>
	<u>(4,075)</u>	<u>(2,894)</u>	<u>(1,561)</u>	<u>(841)</u>	<u>257</u>
Discount on purchase of debentures of subsidiary company.....	—	375	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
NET EARNINGS (LOSS) FOR THE YEAR	<u>(4,075)</u>	<u>(2,519)</u>	<u>(1,561)</u>	<u>(841)</u>	<u>257</u>

**CONSOLIDATED STATEMENT OF DEFICIT
for the Five Years ended December 31, 1967**

BALANCE—BEGINNING OF YEAR.....	3,036	7,111	9,630	11,191	12,032
Net earnings (loss) for the year... .	<u>(4,075)</u>	<u>(2,519)</u>	<u>(1,561)</u>	<u>(841)</u>	<u>257</u>
BALANCE—END OF YEAR.....	<u>7,111</u>	<u>9,630</u>	<u>11,191</u>	<u>12,032</u>	<u>11,775</u>

**Trizec Corporation Ltd.
and Subsidiary Companies**

**NOTES TO CONSOLIDATED BALANCE SHEET AND PRO FORMA BALANCE SHEET
as at December 31, 1967**

1. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements and pro forma balance sheet include the accounts of all companies in which the parent company holds an interest in excess of 50%.

Earnings of subsidiary companies have been included in the consolidated statement of earnings during the period of ownership. The principal subsidiaries and the periods in respect of which their earnings have been included are:

Place Ville Marie Corporation.....	1963 to date
Triton Shopping Centres Limited.....	1963 to date
Triton Centres Limited.....	1963 to date
Brentwood—Triton Ltd.....	1963 to date
Inverness Investment Company.....	1963 to date
Ivernia Investment Co. Ltd.....	1963 to date
Immobilia Inc.....	1967 to date

2. TREATMENT OF FOREIGN EXCHANGE

Current assets and current liabilities in United States funds have been expressed in Canadian dollars at the rate of exchange on December 31, 1967. Long-term debt payable in United States funds has been translated at the rate of exchange prevailing when the funds were received except for the secured bank loans due July 15, 1968 and October 31, 1969 which have been translated at rates established under forward exchange contracts.

3. FIXED ASSETS

(a) Land, buildings and construction in progress are carried at cost plus development expenses including mortgage and loan interest, property taxes, mortgage and legal fees, advertising, promotion, lease obligations and other administrative costs. During the five years ended December 31, 1967 the following amounts were charged to fixed assets—

	1963	1964	1965	1966	1967
	\$	\$	\$	\$	\$
Expenses.....	1,883,875	1,079,719	555,212	231,547	175,730
Interest on long-term debt.....	786,864	260,020	267,100	164,249	60,300
	<u>2,670,739</u>	<u>1,339,739</u>	<u>822,312</u>	<u>395,796</u>	<u>236,030</u>

(b) Buildings carried at approximately \$131,000,000 are situated on lands held under leases expiring in 2024, 2056 and 2061.

(c) Officials of the company estimate that further expenditures of \$10,700,000 will be required to complete the construction in progress and financing has been arranged to cover these expenditures.

(d) The depreciation policy is based on a sinking fund method under which an increasing amount, consisting of a fixed annual sum together with interest compounded at the rate of 4% per annum, is charged to earnings so as to fully depreciate the properties as follows—

Place Ville Marie.....	60 years
360 St. James Street West Building.....	60 years
Shopping Centres.....	40 years

Other buildings..... 25-40 years

4. LONG-TERM DEBT

(a) Subsequent to the year-end \$4,000,000 7 5/8% first mortgage sinking fund bonds due 1993 were issued.

(b) The due date of the \$3,250,000 second mortgage has been extended at 10 1/2% to July 8, 1969.

(c) Subsequent to the year-end the secured bank loan in the amount of \$3,741,125 was repaid.

(d) Subsequent to the year-end the Company issued \$10,000,000 7% convertible debentures due December 31, 1993 in exchange for \$10,000,000 7 1/4% debentures due May 1, 1988 of Place Ville Marie Corporation held by two principal shareholders of the Company.

The pro forma balance sheet gives effect to these four changes in long-term debt.

5. COMMON SHARES RESERVED

Subsequent to the year-end 4,000,000 common shares of the Company have been reserved for issuance at \$2.50 per share after December 31, 1975 and on or before December 31, 1980 for conversion of the \$10,000,000 7% convertible debentures of the Company.

6. CONTRIBUTED SURPLUS

Contributed Surplus consists of the premium on issue of \$1 par value common shares, as follows: 1962—\$700,000; 1963—\$80,000.

7. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

(a) The common shares of Place Ville Marie Corporation have been pledged as collateral for secured bank loans.

(b) Place Ville Marie Corporation has a commitment to pay up to \$2,000,000 should certain levels of cumulative net earnings be reached with respect to the Place Ville Marie project and related operations by December 31, 1970. It is not anticipated that these levels will be reached.

(c) Actions have been commenced against a subsidiary company in respect of a construction contract. In the opinion of legal counsel it is considered that there is good defense to the actions.

To the Board of Directors
Trizec Corporation Ltd.

AUDITORS' REPORT

We have examined the consolidated balance sheet and pro forma balance sheet of Trizec Corporation Ltd. and subsidiary companies as at December 31, 1967 and the consolidated statements of earnings and deficit for the five years then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the consolidated balance sheet and consolidated statements of earnings and deficit present fairly the financial position of the companies as at December 31, 1967 and the results of their operations for the five years then ended, in accordance with generally accepted accounting principles applied on a consistent basis. In our opinion the pro forma balance sheet also presents fairly the financial position of the companies as at the same date after giving effect to the transactions set forth in the head note thereof.

Montreal, May 22, 1968

McDONALD, CURRIE & CO.
Chartered Accountants

There are no other material facts relating to Trizec and its subsidiaries not disclosed in this prospectus.
Montreal, Quebec May 22, 1968

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act, 1967 (British Columbia), Part 7 of The Securities Act, 1967 (Alberta), Part VIII of The Securities Act, 1967 (Saskatchewan), Part VII of The Securities Act, 1966 (Ontario), section 13 of the Securities Act (New Brunswick), the Securities Act (Quebec) and by the respective regulations made under said Acts, and there is no further material information applicable other than financial statements or reports where required or exigible.

On behalf of the Board of Directors.

J. A. SODEN

Chief Executive Officer

E. J. COURTOIS

Director

WILLIAM HAY

Chief Financial Officer

F. B. COMMON, JR.

Director

Directors

F. B. COMMON, JR.

H. J. A. HARBOUR

H. R. MOORE

THE HON. LAZARUS PHILLIPS

E. J. COURTOIS

WILLIAM HAY

P. R. KIRWAN-TAYLOR

D. G. PHILPOTT

F. M. COVERT

J. M. KEYWORTH

SIR BRIAN MOUNTAIN

J. A. SODEN

By this signature affixed below J. A. Soden has, both personally and pursuant to powers of attorney duly executed, signed this prospectus on behalf of all the Directors of the Company listed above.

J. A. SODEN

CANADIAN UNDERWRITERS

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the Securities Act, 1967 (British Columbia), Part 7 of The Securities Act, 1967 (Alberta), Part VIII of The Securities Act, 1967 (Saskatchewan), Part VII of The Securities Act, 1966 (Ontario), section 13 of the Securities Act (New Brunswick), the Securities Act (Quebec), and by the respective regulations made under said Acts, and there is no further material information applicable other than the financial statements or reports where required or exigible.

GREENSHIELDS INCORPORATED

Per: J. E. BROOKES

DOMINION SECURITIES CORPORATION
LIMITED

Per: A. I. MATHESON

Hill, Samuel & Co. Limited are not Canadian underwriters, are not dealing with the public in Canada and in consequence have not signed this prospectus.

The following are the names of all persons having an interest directly or indirectly to the extent of not less than 5% in the capital stock of Greenshields Incorporated: Peter Kilburn, Viscount Hardinge, Dudley Dawson, J. E. Brookes and W. T. Moran.

The following includes the names of all persons having an interest directly or indirectly to the extent of not less than 5% in the capital stock of Dominion Securities Corporation Limited: D. H. Ward, S. E. Nixon, F. H. Logan, N. D. Young, J. G. K. Strathy, A. I. Matheson, J. H. Davie, W. E. Parker, T. P. N. Jaffray and P. Mackenzie.

and among all of business and commercial life, and in the great business centers, especially in the large cities, there is a general sense of alarm and apprehension.

THE FEDERAL BUDGET

Interest in the budget is now so great that it is hardly possible to give a summary of all the details. The budget is a statement of the financial position of the country, and it is a statement of the financial resources available for the support of the government, and of the financial obligations of the government. It is a statement of the financial resources available for the support of the government, and of the financial obligations of the government.

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